

Negligence, Inadequacies Are Cited in Dam's Break

By E.J. Dionne Jr.
New York Times Service

STAVA, Italy — Private negligence and inadequate public precautions were to blame for the flood disaster here in which at least 195 persons died, according to Italian officials.

Geological inspectors and other officials looking into the causes of the accident were focusing increasingly on chemical deposits that had built up over the years at the bottom of the pond held back by the dam. The pond, and an auxiliary pond above it, were used to purify fluorite from a fluorite mine.

An investigator called the deposits "a geological time bomb."

Colonel Fulvio Vezzani, a military spokesman, said the deposits had built up, increasing the volume behind the dam and possibly corroding the dam itself.

In addition, Colonel Vezzani said that trees had recently been cut behind the dam to make the pool of water bigger.

"It is possible that this made the earth unstable," he said.

A worker for the regional water authority said that the dam itself had been built up over the years and may simply have been too high.

"Earthen dams work best when they are low," he said.

Italian Liberals Elect Leader

ROME — Alfredo Biondi, 47, minister of the environment, has been elected leader of the Italian Liberal Party, a minor member of the coalition government. Mr. Biondi, who will now leave his cabinet position, said that he did not plan to change party policy.



Two men in Ora, Italy, look at pictures of victims in the collapse of the dam.

Judicial warnings have been issued to officials of the company that owns the dam, the Prealpi Mining Co., and to local officials who may bear responsibility for inadequate supervision of the dam.

The discovery of five unexploded artillery shells from World War II halted the search Monday for victims, Reuters reported from Tesero, Italy.

Italian Army officers said a bomb disposal expert would examine the shells, which were found at two locations near the dam. They discounted the possibility that a bomb explosion had caused the dam to break.

The dam was built in 1979, and sold to Prealpi about two years later.

Unexploded Shells Found

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Officer on Trial as Lisbon Terrorist Ridicules the Proceedings as a Farce

Reuters

LISBON — A trial of 73 suspected guerrillas opened Monday with the principal defendant, Lieutenant-Colonel Otelo Saraiva de Carvalho, calling it a farce.

Colonel Carvalho, 48, is charged with leading a leftist terrorist group called the April 25 Popular Forces. The colonel, known popularly as Otelo, was a leader of 1974 revolution that ended 48 years of rightist dictatorship.

The trial started despite the absence of a former member of the April 25 Popular Forces who was to have been a key prosecution witness.

He was shot Friday in an attack for which the guerrilla group claimed responsibility. Hospital sources said the attack left him paralyzed.

Heavily armed police ringed the courtroom as the trial got under way.

Colonel Carvalho received a warning from the judge when he greeted fellow defendants in court.

The others cheered and applauded him, while relatives and friends in the public gallery chanted, "Otelo! Otelo!"

Colonel Carvalho, isolated with the other defendants in a special enclosure of bulletproof glass, scribbled a note in the public gallery and displayed it against the glass.

"The trial is a farce whose out-



Colonel Carvalho, front left, with others accused in Lisbon.

come will be the triumph of those now under arrest," the note said. "The accused are the ones who should be in jail."

Of the 73 persons accused, only 52 appeared in court. Three former guerrillas have turned state's evidence, and the rest are being tried in absentia.

The accused are charged with belonging to or assisting the April

25 Popular Forces, which has claimed at least six killings and dozens of bomb attacks and robberies since April 1980.

Their lawyers protested Monday that the charges had not been sufficiently clarified and said that they had not been given sufficient access to all the evidence.

The trial is expected to last at least six months.

WORLD BRIEFS

IRS Deadline for Income Exclusion

WASHINGTON (IHT) — Overseas taxpayers who have not filed their U.S. income tax returns for 1982 and 1983 must get their returns in by Tuesday or lose the earned income exclusion for those years, the Internal Revenue Service said.

The returns will be considered to be filed in time if they carry a readable postmark for July 23 or if they are turned in at U.S. embassies or consulates with IRS offices before the close of business on Tuesday. Taxpayers abroad can exclude up to \$75,000 in foreign earned income — wages, salaries and self-employment income — for 1982 and up to \$80,000 in 1983.

Charles Bruce, a tax attorney, advised that some taxpayers may want to file "protective returns" — using rough income numbers and claiming the exclusion — then amending these returns after the deadline to correct any mistakes. He said that this would probably be easier and more successful than trying to challenge the deadline in court.

Reagan Back at Work in White House

WASHINGTON (Reuters) — President Ronald Reagan conferred Monday with senior advisers as he resumed work in the White House nine days after undergoing cancer surgery.

Mr. Reagan did not go to the Oval Office but conducted business from the living room in his White House living quarters, according to Larry Speakes, the White House spokesman. The president had a light schedule of meetings totaling about an hour with Donald T. Regan, his chief of staff; Robert C. McFarlane, his national security adviser; and Vice President George Bush.

The president also studied briefing papers for talks Tuesday with President Li Xiangjun of China, who is in Washington for a state visit, and telephoned several members of Congress in an effort to end the deadlock over the federal budget.

East German Nuclear Scientist Defects

BONN (UPI) — A leading East German nuclear scientist has defected to West Germany, West German newspapers said Monday.

They said that the scientist, Peter Adler, 46, accompanied by his wife and 11-year-old son, arrived in West Germany last week from Vienna, where he worked for the International Atomic Energy Agency. The agency oversees the civilian use of nuclear technology to ensure that it is not diverted to military purposes.

The newspaper Die Welt described Mr. Adler as one of the leading East German nuclear scientists. It said he had held top jobs for the last six years. The Bild newspaper said the scientist defected because of dissatisfaction with political and ideological conditions in East Germany.

Berri Calls for Removal of Gemayel

BEIRUT (AP) — A Shiite Muslim leader, Nabih Berri, called Monday for the replacement of President Amin Gemayel's government and said a meeting of Islamic nations would be held next month, under Syrian sponsorship, to try to end inter-Muslim feuds.

Mr. Berri, who returned here from Damascus after a two-week visit with his Syrian supporters, said the meeting would be in Damascus. The Syrians, the main power-broker in Lebanon, have been trying to resolve inter-Muslim feuds in preparation for an overall settlement for Lebanon's civil war, which extends to Christians and Palestinian refugees.

EC Sets Conference on Treaty Reform

BRUSSELS (Reuters) — European Community foreign ministers decided Monday to call a special conference to discuss proposals that could water down the authority of national governments, but Britain warned against solutions that were not acceptable to all.

The British foreign secretary, Sir Geoffrey Howe, whose government was among those that originally opposed such a conference, said the meeting, set Sept. 9 in Luxembourg, could succeed only by common accord. It will tackle proposals for a wider European union that split last month's summit meeting.

The ministers set up two groups of senior officials to prepare the conference. One will discuss changes in present treaties to expand the EC's competence to non-economic matters and give wider powers to the European Commission and the European Parliament. The second will handle proposals for wider foreign policy coordination.

Britain, Spain Sign Extradition Treaty

LONDON (AP) — Britain and Spain signed an extradition treaty Monday, the first step in closing a favorite refuge of British criminals. Leon Brittan, the British home secretary, and Fernando Ledesma Barter, the Spanish justice minister, signed the treaty in London. It is not expected to become effective until next year after being approved by the British Parliament and ratified by both governments.

Corrections

Because of an editing error, an article Monday about vehicle exhaust standards in the European Community stated incorrectly that the standards are to take effect in March. They are to take effect beginning in 1989.

A headline in Monday's business section misidentified the object of a \$470-million takeover bid. The target company was Multimedia Inc.

15 Jewish Settlers Sentenced For Attacks

(Continued from Page 1)

exchange for three captured Israeli soldiers.

Courthouse authorities pointed out that the defendants sentenced to three years imprisonment, eligible for a reduction of a third of their sentences for good behavior, will have to remain in jail only nine months since they have already served 15 months awaiting trial and sentencing. Two of 10 who were sentenced after plea bargaining already have been released.

Aviva Nir, the mother of Shaul Nir, who was sentenced to life for murder in the 1983 grenade and machine-gun attack on students at the Islamic College in Hebron, jumped up and down in joy immediately after the sentences were passed.

"Why am I happy?" she said. "My two sons are two heroes of Israel. God arranged everything. This will bring a lot of life. It may be for my son, but God has other plans."

Her other son, Barak, received a six-year sentence for participation in the Islamic College and Arab bus attacks and the Dome of the Rock conspiracy.

Also sentenced to a mandatory

life term for murder in the Islamic College attack was Menachem Livni, 38, a former reserve engineering corps battalion commander who led the underground organization. He was in the forefront of Jewish settlers who moved into the Arab city of Hebron after Israel captured the West Bank in 1967.

The other life sentence was given to Uzi Shabbar, 25, also of Hebron and a former Israeli Army soldier. Mr. Shabbar is the son-in-law of the spiritual leader of the West Bank settler movement, Rabbi Melech Levinger.

Some of the West Bank Jewish settlers in the courtroom said that the trial had radicalized settlers throughout the occupied territory and that there would be further attacks on Palestinian nationalists.

The relatively light sentences of three years for defendants involved in the attack on the Arab mayors were attributed by the judges to the court's belief that the settlers deliberately planned light explosive charges in the mayors' cars with the intent of maiming but not killing them because, by the defendants' own confessions, they did not want to create Palestinian martyrs.

The sentences for causing grievous bodily harm were for the attacks on two mayors, Bassam Shaka, then mayor of Nabulus, who lost both legs to a bomb placed in his car, and Karim Khalaf, of Ramallah, who lost a foot.

An Israeli Druze bomb disposal expert was blinded while attempting to defuse a third bomb.

South Africa Seizes Activists

(Continued from Page 1)

Parents' Support Committee, who spoke on the condition that he not be identified, said that those detained in the Port Elizabeth area included the Reverend Dr. Viljoen Soga, president of the Interdenominational African Ministers Association of South Africa. His group has worked to end fighting between rival black anti-government groups.

Other clerics reportedly held were the Reverend Samson Daba, an Anglican minister and community leader from Uitenhage; the Reverend Hamilton Dandala, a Methodist minister from Port Elizabeth; and the Reverend Ebenezer Magina, a leader of the Azanian People's Organization, a black-consciousness group in Port Elizabeth.

Reporters in Port Elizabeth said that at least 10 other activists were seized before dawn, including leaders of the black Motor Assembly and Component Workers Union of South Africa.

Police reported several scattered incidents of unrest in black townships late Sunday and early Monday.

On Sunday, police shot and killed three blacks in Turnahole township outside Parys, a town 75 miles (120 kilometers) south of Johannesburg, when a group of

blacks stoned and firebombed houses of policemen and black councilors, according to police headquarters.

Parys is not among the towns covered by the emergency regulations.

Among those arrested Sunday were 22 mourners aboard a bus that was commandeered on its way back to Johannesburg from a funeral, the police said. They gave few details of the arrests.

The last state of emergency in South Africa was in 1960, when violence followed the fatal shootings by the police of 69 black protesters in Sharpeville, south of Johannesburg. The police arrested more than 11,000 people during that 156-day emergency.

U.S. Stomies Apartheid

The Reagan administration, blaming apartheid for the violence in South Africa, denounced the new measures and said that the leaders in Pretoria should move toward "basic reforms."

The White House spokesman, Larry Speakes, read a statement, one of the toughest issued by the administration against South Africa, describing apartheid as a "system considered to be repugnant."

But he said the administration still opposed to legislation imposing sanctions against South Africa for its policies.

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Affirmative Action Programs Winning Acceptance in U.S.

By Lee May
and Paul Houston
Los Angeles Times Service

WASHINGTON — After years of bitter controversy, affirmative action in the workplace has achieved a grudging acceptance among American workers and employers alike.

Despite continuing sharp criticism from the Reagan administration, the anxieties created when minorities and women first received preferential treatment in hiring to compensate for generations of discrimination have begun to ease.

"The world didn't come to an end and the walls didn't tumble down," said James Burton, equal opportunity affairs manager at Monsanto Co. "As a result, we're seeing a different attitude toward looking at people as individuals."

Edward Galley, a young white police recruit in Boston, fears the department's affirmative action program could hold back his career. But like many other whites affected by such programs, he concedes that increasing the number of minority officers is a worthy goal and admits he "can't think of anything else" to achieve it.

The National Association of Manufacturers, which represents 13,500 corporations, told a congressional committee this month that diversity in the work force resulting from affirmative action has "produced new ideas, opinions and perspectives in management, product development and marketing."

Peter Robertson, a Washington consultant on affirmative action to 215 of the nation's largest corporations, said a survey shows 95 percent of the companies plan to continue their efforts regardless of what the government does.

But the battle over quotas and other tools of affirmative action is far from over. Sporadic charges persist of reverse discrimination against white males, and of incompetence among minorities and women hired under affirmative action.

And while the workplace has largely become reconciled to affirmative action as a method for hiring, the next step — progress in getting promotions for members of minority groups — has become a new source of tension.

Affirmative action dates from the 1964 Civil Rights Act, which established the federal Equal Employment Opportunity Commission to investigate complaints of workplace discrimination and authorized federal courts to order employers to take steps to overcome



William E. Brock

the effects of past discrimination. Those steps could include quotas — requirements that, for example, one minority group member be hired for every new white worker added.

A year later, President Lyndon B. Johnson ordered large federal contractors to demonstrate progress toward diversifying their work force, though strict mandatory quotas were not part of his executive order.

The result was a burst of complaints about racial discrimination in the workplace and a burgeoning of affirmative action plans.

Between 1974 and 1980, according to the Labor Department, the number of minority workers employed by companies with federal contracts grew by 20 percent, compared with a 12-percent increase in companies not involved in government work and having no affirmative action plans in force. For women, growth was 15 percent compared to 2 percent.

At the same time, complaints about the effect of such plans on white males began to rise. The Equal Employment Opportunity Commission received 1,556 formal charges of reverse discrimination by public employers alone in 1979 through 1983, for example.

Paul Bearden, a 48-year-old white firefighter in St. Louis, said affirmative action there has "created a lot of hard feelings." Mr. Bearden, still a private after 23 years as a firefighter, said he once aspired to captain's rank. But since affirmative action, he said, he has quit studying for the test.

Some affirmative action officers

have been accused of overzealousness. William McCarthy, a white Boston police officer, charges that the force has hired criminals and illiterates in its effort to boost minority employment. "I think your professionalism and your standards are being dropped down," he said.

Larry Brown, a black officer and spokesman for the Massachusetts Association of Minority Law Enforcement Officers, calls that view racist. "Considering some of the white male police officers we have on this job, that's like — excuse the pun — the pot calling the kettle black," he said.

But opponents of affirmative action were given support by the Reagan administration, which contends that hiring and promotional preferences based on race or sex are inherently unfair and discriminatory.

Earlier this year the Justice Department asked 51 state and city governments to alter existing plans for hiring and promoting women and minority members, usually in police and fire departments.

The Justice Department based its action on a 1984 Supreme Court decision holding that the city of Memphis had violated the seniority rights of white firefighters when it retained junior black firefighters and laid off more senior whites. What applies to layoffs, the department reasoned, should also apply to hiring and promotion.

Mayor Tom Bradley of Los Angeles, one of the cities asked to alter its hiring and promotion plans, charged that the approach by the Justice Department "will result in expensive, time-consuming litigation and will reopen old wounds."

The U.S. Conference of Mayors, which represents 550 cities with populations of 30,000 or more, adopted a resolution last month in support of affirmative action programs unless there is "a clear repudiation by Congress or the judiciary."

No such repudiation is yet apparent. Five of the 13 federal appeals courts in the United States have held that the Memphis firefighters' case, which involved layoffs, does not apply to affirmative action plans involving hiring and promotions.

There is disagreement even within the Reagan administration. Last month, Labor Secretary William E. Brock said at the annual convention of the National Association for the Advancement of Colored People in Dallas that the country would need "some form of affirmative action for a considerable period of time into the future."

Dole-Kemp Feud: Behind the Barbs, a Deep Republican Rivalry

By Steven V. Roberts
New York Times Service

WASHINGTON — Senator Robert J. Dole of Kansas, the majority leader, was speaking recently to a group of college Republicans about tax reform. Representative Jack F. Kemp of New York, he cracked, wants a business deduction for hair spray.

Mr. Kemp, who addressed the group later, shot back that during a recent fire Mr. Dole's library had burned. Both books in it were lost, he said, and Mr. Dole had not finished coloring one of them.

Mr. Dole and Mr. Kemp are two of the most dominant Republicans in Washington, and the rivalry between them has been smoldering for years. But it recent weeks it has cracked into the open.

On one level the battle is political: Both men would like the Republican nomination for president in 1988. But their antagonism also reflects a deep rift in Republican ranks that involves economic policy and the future course of the party itself.

Many Republicans are alarmed at the rising animosity and would like to see it stop. Some Capitol watchers trace



Robert J. Dole

the rivalry to 1981 when the Kemp-Roth bill, cutting taxes by 25 percent, became law. Mr. Dole was the new chairman of the Senate Finance Committee, which handles tax legislation, and some Republicans say he considered Mr. Kemp an upstart and resented his success.

"Kemp is not a legislator, and Dole is, and that really grates on Dole," said a Republican assistant.

Beyond their personal rivalry, the two Republicans have a basic disagreement over economic policy. As an advocate of supply-side economics, Mr. Kemp stresses the importance of reducing taxes as the key to growth and prosperity.

Rising deficits and interest rates, he insists, are caused by the tight money policies of the Federal Reserve Board.

As a more traditional conservative, Mr. Dole focuses on the deleterious effects of budget deficits. Solving that problem is the key to economic revival, he says, and if popular programs have to be cut and taxes have to be raised, that is a necessary price.

This disagreement has a broader political implication. Mr. Kemp says that by focusing on economic growth, the Republican Party can become the party of optimism and progress.

Mr. Dole retorts that if the Republicans bring down the deficit and then revive the economy, the public will forget its temporary pain. If the party follows Mr. Kemp, he believes, the country will not grow out the deficit problem.



Jack F. Kemp

lem, and the voters will blame the Republicans for the subsequent economic disaster.

All this came to a head recently. Mr. Kemp was appalled at the budget adopted by Senate Republicans, which contained a freeze on increases in Social Security benefits.

that Senate Republicans were inching their way toward a tax increase. To make matters worse, he and other House Republicans were fuming over their having been excluded when Mr. Dole put together his budget plan with the White House.

Meanwhile, changes in the White House staff were working to the advantage of Mr. Kemp and his allies.

James A. Baker III, a pragmatist in the Dole mold, left as chief of staff and was replaced by Donald T. Regan, a more ideological conservative with close ties to Mr. Kemp. So the New Yorker, by his own account, "called Don Regan and said, 'I think we can get this budget back on track.'"

The result was a meeting of Mr. Regan, Mr. Kemp and several others that produced a "framework" for a new budget compromise. A Social Security freeze was dropped; new taxes were ruled out yet again; and Mr. Dole was appeased.

One of the senator's aides called the Kemp-Regan meeting "a political cheap shot aimed at 1988," and added: "That's why Dole is so angry. We were blindsided."

Dole Urges Reagan Intervention on Budget

Washington Post Service

WASHINGTON — The Senate majority leader, Robert J. Dole, has appealed to President Ronald Reagan to intervene to rescue the stalemate deficit-reduction negotiations on Capitol Hill, saying Mr. Reagan could "put it together if he does it very quickly."

If the president supports a compromise with the House of Repre-

sentatives that the Senate intends to offer this week, "then I think we should reach a showdown," Mr. Dole said. "If it's not going to happen, then we should say so and get on with our work."

Mr. Dole, speaking in a television interview Sunday, gave no details of the proposed compromise.

Both Mr. Dole and the Senate Budget Committee chairman, Pete

V. Domenici of New Mexico, expressed pessimism about the outlook, both in terms of an immediate agreement and the long-term prospects for making much of a dent in budget deficits.

Even if the Senate gets its way with deeper cuts than the House has proposed for the next three years, "we're still going to have \$200-billion deficits as far as the eye can see," Mr. Dole said.

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Computer 'Bulletin Boards' Thriving

(Continued from Page 1)

for communication and free assembly as the telephone and meeting places are now," he said.

There are no reliable figures on the number of Americans who now have access to computer bulletin boards. Computer industry analysts say that somewhat less than 10 percent of the nation's 85 million households have personal computers.

A large majority of those home systems include a "modem," the device that gives computer owners access to bulletin boards through telephone lines.

That would suggest that several million Americans can hook up to bulletin boards from their homes, in addition to those who have access to a computer system at their workplace.

It is equally difficult to state accurately how many different bulletin board systems there are. Industry estimates range upward from 2,000, but the number seems to be growing weekly, because computer owners can start a system with a minimal additional investment and operate it through their home telephones.

There are three basic types of computer communication systems. The most numerous are the free bulletin board systems all over the country, offering information to anyone who chooses to call. There generally is no fee for these services, although callers have to pay any long-distance charges for their connection.

There are also a few dozen commercial bulletin boards that provide services ranging from news re-

ports and stock quotations to gardening tips and airline schedules. These electronic magazines generally charge a fee starting at \$6 per hour.

Finally, there are hundreds of private computer bulletin boards used by businesses, schools, government agencies and professional organizations to keep in touch with a national roster of members or employees.

One of the more common forms of computer crime — including the crimes charged against the New Jersey teen-agers — involves a person who tries to penetrate one of these private networks.

Normally, a private network has its own telephone number and one or more passwords that a caller must type in to gain access to the system. Most private bulletin boards change these numbers and passwords frequently.

But last year a group of computer users obtained a phone number and password for a credit-rating company owned by TRW Inc. With that information, the users were able to call up and obtain the credit card numbers and financial

records of any of the millions of people listed by the company.

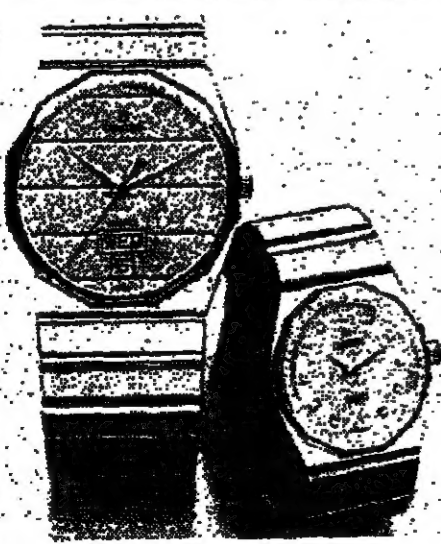
Burt Mazlow of Garden Grove, California, whose credit card numbers became public in the community of computer enthusiasts, has sued TRW for failure to provide adequate security of its records.

Last fall some bulletin boards listed a telephone number for "Arpanet," a Defense Department's research computer system. The necessary passwords were not listed, however, and the Pentagon said there was no evidence of unauthorized calls to Arpanet.

Mr. Hughes dismisses such users as a small group of "keyboard vagrants passing through our electronic neighborhood."

And enthusiasts are beginning to emphasize the need to avoid illegitimate use of computers. Even such youth-oriented bulletin boards as "Phreakenstein's Lair," where teen-agers heatedly debate rock music and new computer equipment, flash a warning on the screen to all callers: "Anyone leaving any message dealing with breaking into computers, etc., will have their password ZAPPED!!!!"

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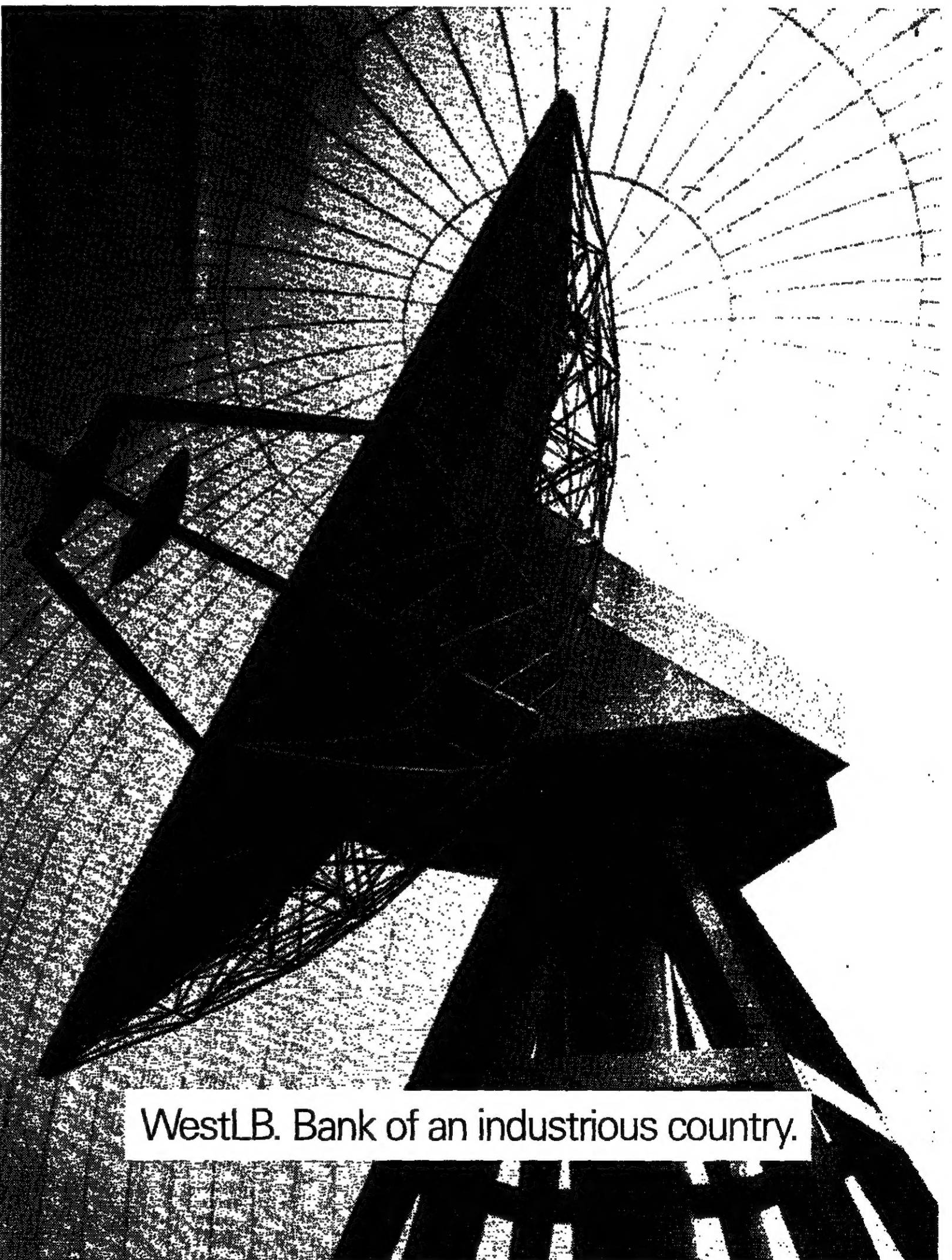
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Cheap Dollar, Costly Deficit

A dollar now buys about 17 percent less foreign currency than it did in February. Is that the longed-for "soft landing" for which economists have been hoping?

Maybe. The dollar's decline from overvaluation should let efficient American exporters reclaim a share of world markets. It would also reduce pressure on Congress to protect inefficient producers from import competition.

But the decline also reflects the opinion of some corporate money managers that the American economy is sagging toward recession. If that is true, the fall of the dollar may have come too late to spare the United States the pain of higher unemployment. If no recession beckons, a weaker dollar could again drive up interest rates. With the dollar declining, the only sure way to widen the path between recession and credit squeeze is to reduce the federal budget deficit.

No one can be certain why foreign investors flocked to the dollar in the early 1980s, raising its exchange value by 50 percent. What is clear, though, is that the overvalued dollar increased the purchasing power of American consumers and helped hold down the U.S. inflation rate. In addition, foreign demand for dollar securities made it possible for Washington to finance unprecedented federal budget deficits without driving up interest rates and crowding domestic borrowers out of the market.

But the lunch bought with Japanese and European credit was not free. The high-priced dollar made it almost impossible for even efficient American producers of everything from bulldozers to cattle feed to sell their goods abroad. And it gave failing industries, from apparel to motorcycles and steel, the

excuse they needed to win more imprudent protections against competing imports.

The decline in the dollar's value should help to correct imbalances that brought misery to America's heartland and still threaten relations with our Asian and European trading partners. The catch is that the huge surplus of dollars that foreigners earned from their exports to America will no longer be available to finance federal budget deficits.

And that leaves America's economic managers very little room for maneuver. The Federal Reserve could stand firm with its credit restraints, thus forcing the Treasury to compete with private borrowers for domestic savings. That would almost certainly result in a sharp increase in interest rates. Or the Fed could create the extra money needed to replace foreign loans, hoping the economy is slack enough to absorb it without raising inflation.

The prudent response to a better international currency balance would be to provide for a healthier domestic fiscal balance. The smaller the coming federal deficits, the fewer the savings the Treasury will absorb to finance them — and the greater the amount of credit left for private investors. The less that is left for such investors, the more likely they will bid up the cost of money and everything else.

For years, responsible analysts of the American economy have argued that it cannot support big budget deficits in good times. For years the economy has defied their predictions, sucking in foreign capital to sustain the binge. The Fed may once again grope its way through the middle. But it is foolish to trust to luck for prosperity. The buck stops in Washington.

—THE NEW YORK TIMES

Another Troubled Missile

The conferees on the U.S. defense bill have a difficult and telling decision to make on the future of AMRAAM, the advanced medium-range air-to-air missile that the Air Force and to a lesser extent the Navy have been banking on as a weapon of the future.

The missile, which a pilot would fire when his target was still a radar blip, is in trouble. Some people think it is a technically flawed. Technical problems continue to crop up as well; there have been long delays in designing and preparing to build it. The projected cost has more than doubled in the past four years, to \$10.8 billion for the program, \$400,000 per missile. In January, Defense Secretary Casper Weinberger took the unusual step of putting the new weapon on probation, saying no missiles would be bought until the Air Force satisfied him it had costs under control; a review is scheduled later this year.

The House responded by voting to kill the missile. The Senate, brushing aside the problems, appropriated funds to begin production. The conferees must choose, but there is more involved than just another weapon.

The new missile represents a major commitment on the part of the Air Force, a leap of faith as to the nature of future warfare. The

service has come to the view that a lot of the serious fighting will be done at much greater distances than before, even over the horizon.

Its critics have a more conventional — they would say more practical — view of the future. The new missile has this major problem: A pilot currently has no foolproof way of telling whether a blip on his radar screen is friend or foe. Proponents are sure that a way will present itself; they say that, if one did not, in an all-out war pilots would simply be told to assume that planes in certain sectors were enemy, and to shoot without inquiring. Nor was it reassuring to learn from a leaked document last week that the project officer does not think the manufacturer, Hughes Aircraft, is able yet to produce the weapon.

Congress should not appropriate production funds for a weapon of this importance under circumstances as shaky as these. A production vote would further undermine public confidence in both the military procurement system and congressional judgment. The conferees should either kill the project or keep it barely alive and give the Air Force a last small chance to justify it. No one can have much confidence in the weapon so far.

—THE WASHINGTON POST

Other Opinion

Not So Fast, Mr. Gorbachev

Has Mikhail Gorbachev suffered his first setback as the Soviet Union's new leader? The suspicion is that at the meeting of the Soviet Communist Party's central committee on July 1, Mr. Gorbachev tried but failed to get rid of the prime minister, Nikolai Tikhonov. The supporting evidence is that on the night of the meeting an extended television news broadcast, designed to cover the central committee session, was abruptly canceled. This led Kremen-waters to argue that Mr. Gorbachev's intention of replacing Mr. Tikhonov with one of his own men, or perhaps even taking the job himself, may have gone awry.

There are two men he would have been happy to see in Mr. Tikhonov's chair: Vitaly Vorotnikov, the premier of the Russian republic, and Nikolai Ryzhkov, the party man who oversees the economy. Another possibility is Gaidar Alier, a deputy prime minister.

If Mr. Gorbachev did try to become prime minister himself, it may be that his party colleagues applied the unwritten rule that the posts of prime minister and party leader cannot be held by the same man. That dates back to 1964, when Nikita Khrushchev — who had combined the two jobs — was deposed. (In Poland, the rule is broken by General Wojciech Jaruzelski, who heads both party and government, but Mr. Gorbachev can hardly point to the general as an example of success.) If, on the other hand, Mr. Gorbachev tried to

replace Mr. Tikhonov with one of his own nominees, and failed, the rebuff would be even more serious. His colleagues would have been telling him that even this indirect control of the prime minister's office would be ending Mr. Gorbachev with too much power.

—THE ECONOMIST (London)

Naval Exercises Comforting

To some analysts, combat between surface fleets seems irrelevant in the age of missiles and nuclear weapons. But the Russians obviously do not share this view. Soviet warships in the Baltic to the Black Sea have gathered in the blustery waters of the North Atlantic to conduct the largest naval war games in the history of Soviet sea power.

These exercises, with more than 100 surface ships and submarines, including the aircraft carrier Kirov, are designed to simulate and block any attempt by North Atlantic Treaty Organization naval forces to reinforce Norway in case of war. The Russians are not alone, however. NATO ships and aircraft are monitoring their movements closely.

The possibility of a clash is always possible, yet in a curious way, these operations are comforting. The notion of a naval war in which Norway or any other ally is to be resupplied and reinforced means that someone believes World War III can be held below the threshold of mass destruction.

—THE BALTIMORE SUN

FROM OUR JULY 23 PAGES, 75 AND 50 YEARS AGO

1910: China Asks Return of Pirates
PEKING — An interesting situation has arisen out of the fighting between the Portuguese and Chinese pirates on the island of Coloman, which resulted in the Portuguese gaining the upper hand, the liberation of twenty Chinese who had been kidnapped by the pirates, and the capture of forty of the latter. China expects the pirates to be handed over on the ground that they were apprehended on Chinese territory and that the kidnapping of the rescued Chinese gunboats which watched the bombardment of Coloman by the Portuguese offered to cooperate, but the Portuguese refused in view of the possession of the island being in dispute with China. The situation, however, is being dealt with in a most friendly manner.

1935: U.S.-Soviet Pact Is Criticized
WASHINGTON — A bitter condemnation of the Russo-American trade pact as the "growing bog of Cordell Hull's ruinous, fantastic mania for free trade," was uttered by Senator Pat McCarran, Democrat of Nevada, who said he would soon seek in the Senate a modification of the reciprocal tariff act, under which that Mr. Hull's signature of the Russian-American trade pact and similar trade agreements was unconstitutional. Under Secretary of State William Phillips, in reply, said that reciprocal trade agreements were not involved in the Soviet pact, which simply gave the Soviets the benefit of rates of other nations signing trade pacts. In return, he pointed out, the Soviets had promised to buy \$30,000,000 worth of American goods within the year.

There's No Clean Way To Fight U.S. Enemies

By Geoffrey Kemp

WASHINGTON — During his recent visit to Southeast Asia, U.S. Secretary of State George P. Shultz met with many Cambodian refugees in Thailand, victims of the continuing civil war and the Vietnamese occupation of their country.

In scenes reminiscent of Western leaders' pilgrimages to Afghan refugee camps in Pakistan, Mr. Shultz was warmly received by Cambodians who, like their Afghan counterparts, urged the United States to provide the means to liberate their country from a foreign invader.

Mr. Shultz's response was warm but noncommittal — in spite of a rather extraordinary series of measures taken by the House of Representatives while he was away. In voting to approve the foreign aid bill, the House passed resolutions providing financial aid to Cambodian resistance groups who could be certified "non-Communist" to the Afghan resistance movement, and to the forces of the National Union for the Total Independence of Angola, or UNITA, led by Jonas Savimbi, who are fighting Cubans in Angola. The House remains hostile to military aid for Nicaragua "contras" but on most foreign aid questions the mood on Capitol Hill is now hawkish.

That may explain Mr. Shultz's negative response to the House proposal to help the Cambodians. Mr. Shultz does not want to provide military aid to those resistance groups in part because he fears Congress can be fickle on these types of issues, denying tomorrow what it approves today and thereby undermining a carefully crafted policy. Unfortunately, the record of the past 10 years corroborates Mr. Shultz's pessimism.

But are things changing? To make sense of the belligerent mood in Congress and to understand U.S. position in funding resistance groups, two questions must be answered. First, is the shift in congressional opinion permanent or transitory? Second, what criteria should the United States and other democracies adopt when taking steps to support anti-Communist resistance movements which differ widely in size, composition, ideology and international support and who may themselves use "terrorist" actions.

One explanation for the new hawkishness is that Congress has overcome the trauma of Vietnam and Watergate that had such a divisive impact on the foreign policy consensus. It now seems prepared to return to a more traditional, bipartisan approach on national security issues. If that is the case, we might see the day when funding the contras will be as routine, even for liberal Democrats.

A more political and therefore more transitory interpretation would point to three key issues that have recently influenced Congress. First, the coming 1986 elections. And that has given the Democrats not only the need for the Democrats not to be seen as "soft" on defense and Communism. Second, the skill of the administration in removing arms control and nuclear war rhetoric from the national agenda by focusing on the Geneva arms talks and the coming summit between Ronald Reagan and Mikhail Gorbachev. Third, and probably most relevant, the impact of the TWA hijacking and the outcry to his back at U.S. enemies.

While most observers would welcome a more permanent return to consensus in foreign policy making, bipartisanship itself does not guarantee good policy, especially if U.S. goals and objectives are muddled. No

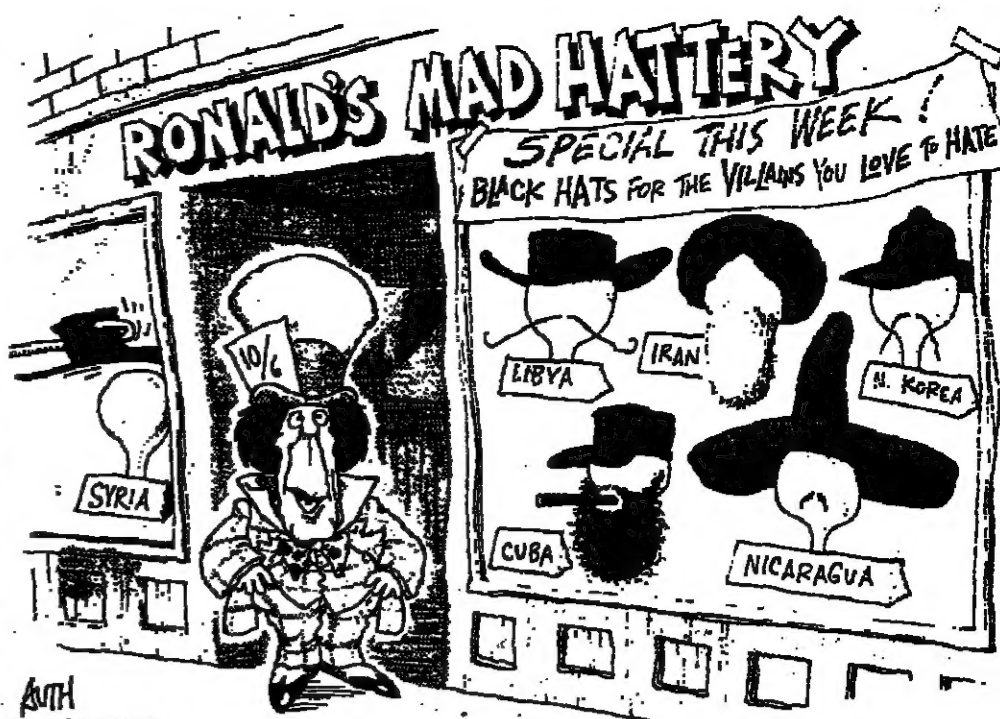
arena is more susceptible to confusion than the support of rebels.

Hitting back at U.S. enemies by supporting their enemies has the advantage of not involving the United States directly in combat; but the disadvantage is that we cannot control our clients. How can the United States assure that military assistance provided to non-Communist Cambodians will not trickle down to another member of the resistance, namely Pol Pot and his Khmer Rouge?

That raises the tricky problem that anti-Communist resistance groups are by no means monolithic. While they have some common features, each has its own identity and badge of respectability in the international community. Although some Afghan resistance groups adhere to the tenets of Islamic fundamentalism, they have become, as a whole, heroes in the United States and Western Europe, celebrated by the same people who fear and loathe Ayatollah Khomeini and his Shia zealots.

On the other hand, Mr. Savimbi's fighters are highly controversial and disliked in many quarters because of the material support they have received from South Africa and their effective disruption of Angolan economy, which in turn causes dismay among the multinational oil companies.

Similarly, the regimes and military forces under attack from these resistance groups cover a wide spectrum, ranging from the well-trained, well-equipped Soviet Union and Vietnam to the less prepared and relatively poorly equipped Cubans in Angola



and the Sandinistas. To come up with any simple description of the conditions of combat and conflict in these regions is exceedingly difficult. On the matter of values, ethics and the use of force, it requires wild leaps of the imagination to believe that the Afghan resistance, or any other group receiving U.S. support, will adhere to Quakerish Rules when using violence to defeat or intimidate their enemies. How should we react to this given U.S. outposts about the evils of such terrorist acts?

The important fact is that Americans are highly selective about who is called a terrorist and what is defined as a terrorist act. In popular usage, the term has come to be associated with radical, anti-Western groups who use violence against civilians.

Yet terrorism is a form of warfare that can involve the regular armed forces of sovereign states. The Russians probably kill more innocent Af-

ghan civilians in one afternoon than all the civilians killed by the Lebanese Shias in one year. And Americans should not forget that a cornerstone of Western strategy today is a doctrine that calls for the massive, systematic annihilation of millions of innocent civilians — a potential act of terror unparalleled in history.

What the United States has to do is focus on the real problem, namely that certain political groups are, for different and complex reasons, at war with the Western world. If America is in a state of war, rules of behavior and engagement must be modified, just as they were in World War II.

We need to fight our enemies and if necessary use some of their methods — with the exception of the deliberate murder of innocent civilians. That may mean the United States will support groups who use unsavory methods. But Americans have to realize that violent deeds conducted by sur-

rogates are preferable not only to losing but also to direct U.S. involvement, the massive use of American firepower and the increased risks of confrontation with the Soviet Union. In theory, there is an alternative to surrender, direct escalation or support for such groups: namely negotiation. Yet the diplomatic record is dismal, especially in southern Africa and Central America. The United States has to realize that there is no clean way to fight its enemies. And if Congress is serious about giving aid to anti-Communist resistance groups, it must understand the implications of its actions and see the unpleasant business through to the end.

The writer, a senior fellow at Georgetown University's Center for Strategic and International Studies and formerly special assistant on national security to the president, contributed this to the Los Angeles Times.

Reagan Is Outpaced by His Doctrine

By Charles Kranthammer

WASHINGTON — There are four major anti-Communist insurgencies in the world — in Angola, Nicaragua, Cambodia, and Afghanistan — and within the last six weeks the House of Representatives has endorsed them all. It gave money to three, and repealed a 10-year ban on aid to Angola. In effect, the House, the last refuge for the American dove, adopted the Reagan Doctrine.

This doctrine, enunciated in the 1985 State of the Union address, declares U.S. support for anti-Communist revolution "on every continent from Afghanistan to Nicaragua." It constitutes the third reformulation since Vietnam of the policy of containment. First came the Nixon Doctrine, which relied on regional proxies and sank with the Shah. Then came the Carter Doctrine, which promised unilateral projection of U.S. power, and disappeared with the Rapid Deployment Force.

Enter the Reagan Doctrine, which relies on indigenous revolutionaries to challenge the Soviet empire at its periphery. It is the U.S. response to the Brezhnev Doctrine, which declared: Once a Soviet acquisition, always a Soviet acquisition. For many Democrats coming around to this doctrine is a revelation. And that has given the cynics a field day. After the TWA hijacking and the killing of marines in El Salvador, Congress seems cranky. America has been kicked around lately, and so have Democrats. Some are still smarting from President Daniel Ortega Saavedra's trip to Moscow, hours after the House had voted to cut off aid to the "contras," last April.

Now, it is true that the Reagan Doctrine costs little: less than \$30 million a year. Politically, too, it is not very expensive. There are not many fans of, say, Indochinese Communism. And Congress is no island of stability.

Still, Congress, like the two-ton ginsu, can be serious in spite of itself. Whenever it moves, the effects are serious. Democrats may indeed be reacting from "politics." So what? However cynically conceived, the Reagan Doctrine amendments to the 1985 foreign aid bill have a serious effect. They amount to a significant, maybe historic, change in U.S. foreign-policy consensus.

To be sure, opponents of the Reagan Doctrine have by

no means been swept away. A majority of House Democrats are still to be moved. Representative Tom Downey is one of the leaders of the opposition. He explained his objection to the foreign-aid bill thus: "What this bill says is that the threat to use force is part and parcel of our diplomacy, and I think that's a mistake." Rarely has the advocacy of a toothless foreign policy been so forthright.

Majority Leader Jim Wright voiced a different protest. Contra aid makes us, he said, "accessories to an attempt to overthrow the government of Nicaragua."

The Reagan Doctrine even gathered support from House liberals. The Angolan move was introduced by Representative Claude Pepper; Stephen Solarz hatched the Cambodia aid idea. Seventy-three House Democrats voted aid to the Nicaraguan contras. And everybody supports the Afghan rebels. The great irony is that all these moves have left one man behind: Ronald Reagan.

Mr. Reagan proclaimed his doctrine (and George Shultz elaborated it in a major address in San Francisco), then shied away from taking any political risks on its behalf. On Angola, the administration thought the votes were not there and exerted no pressure. On Cambodia, it had to be pushed by the House. (The State Department opposed the measure. Mr. Shultz wants overt aid to come from Cambodia's neighbors, not the United States.) And on Nicaragua, the president lucked out. He refused to risk his prestige by going on television to support contra aid. It lost in the House by two votes. The only thing that saved it in the end was Mr. Ortega's travel agent.

The president obviously believes in the cause of anti-Communist revolution. However, he is reluctant to expend political capital for it. He has other priorities. In the name of these priorities (for example, arms sales to Jordan and more military aid to the Philippines), the White House has even threatened to veto the foreign aid bill. Imagine: Congress, the Democratic House, adopts the Reagan Doctrine, and Mr. Reagan vetoes the measure. That would be one irony too many. At that point, the Reagan Doctrine may have to be rechristened.

Washington Post Writers Group

System Traps Swedish Voters — And Parties

By Carl Rudbeck

STOCKHOLM — It really will make no difference which party wins the election in Sweden in September, many Swedes say. It seems the Swedish system is more powerful than the politicians involved.

The system has just been re-examined by Hans L. Zetterberg, a professor of sociology and the head of SIFO, the Swedish equivalent of the

LETTER FROM STOCKHOLM

Gallup institute. Mr. Zetterberg's conclusion is that real change is impossible, whatever the ruling party.

One reason is that Sweden, unlike among Western democracies, has a majority of voters who are paid by the state. Twenty-six percent are government employees. A further 28 percent receive their income from pensions, social security or various welfare agencies. The Social Democratic Party is favored by these two sectors of the electorate. This 54 percent believe that their jobs and continued well-being are dependent on the continuation of a Social Democratic welfare state.

Paradoxically, the Conservative Party is gaining votes among the working class who traditionally voted for leftist policies. Increasingly, blue-collar workers feel they have more in common with the people who employ them than with the people who tax them. But since the private sector is at 38 percent, its chances of changing the system are slim. Ironically, the ruling Social Democrats, once the party of progress, seems to be fighting change.

Whatever party wins in September, it will be handicapped by an increasingly expensive and unproductive public sector, powerful enough to strike when its demands are not met. Any ruling party will also be forced to extract taxes higher than those in any other Western democracy. And these taxes will have to be supplemented by foreign borrowings.

The cost of the public sector, according to Mr. Zetterberg and others, prevents any government from lowering tax rates. "Since the majority of the people are financially dependent on them, there will never be a decrease in taxes. We no longer have the necessary political conditions to lower taxes as other countries have done," Mr. Zetterberg writes.

Thus while Swedes talk about change, they do not really want it since that would imperil their jobs and their *trygghet*, or security. No party will cause out of control changes, since that would effectively enlarge a large part of its own electorate, Mr. Zetterberg maintains.

More optimistic political analysts see two possibilities for change, however. The first is that the ideological winds that brought Margaret Thatcher and Ronald Reagan to power will change Sweden, and put economic issues into second place. But even so, any party will find its chances for action curtailed by laws that make it virtually impossible to lay off public employees and by powerful unions.

The second perspective is more apocalyptic. Things will have to get much worse before they can get better. The welfare and the public sector will eventually become so top-heavy that they will crumble under their own weight and bring about the total disruption of the economic system. But this is not a scenario any politician dares mention. In this case Sweden would not be governed by its own politicians, but by the international Monetary Fund and foreign banks. We will certainly hear nothing about this political apocalypse in the electoral campaign that promises Swedes more of the good life, even though nobody has the faintest idea who is going to pay for it.

International Herald Tribune

Mitterrand: An 'Unanointed King' Studies Options

By William Pfaff

PARIS — The crisis that is not a crisis looms steadily larger and louder in France. Can the parties of left and right peacefully share government power, "cohabite," if, as expected, the right wins the legislative elections scheduled for next March? All of France purports to have an opinion. One feels, nonetheless, that it is mainly an issue to occupy idle minds at the seashore.

The obvious answer is yes, they can and will share power, if it comes to that. First of all, it is not clear that the election result will be as clear-cut as most think. A form of proportional representation will be introduced for this vote. Both right and left are internally divided over the question of forming coalitions. The purpose of returning to proportional representation is to recreate some of the coalition-making possibilities of past systems, those of the Third and Fourth Republics, to which many a Socialist heart still belongs, and where François Mitterrand proved himself a political operator nonpareil.

The prime minister, Laurent Fabius, wants the Socialists to campaign next year in a spirit of "republican" reconciliation with moderate forces of all parties. The Secretary General of the Socialist Party, Lionel Jospin, a political puritan, wants the party to take a firm leftist line, attack the right, and try to recapture the Communist vote, even though the Communist leadership continues to condemn the idea of electoral cooperation with the Socialists.

To further complicate matters for the Socialists, rival Socialist candidates for the presidency in 1988 already are declaring themselves, thereby reopening both the old and scarcely healed wounds in the party.

On the right, there are some who make little secret of their willingness, indeed eagerness, to set up housekeeping with the Socialists, if the political price is right. The major parties of the conservative opposition have sworn that they will stand together against compromise, but ambition may finally overpower solidarity.

Coalition government, however, is an unlikely outcome. All the polls and present political evidence indicate a decisive victory by the conservative parties, enabling them to control Parliament. Mr. Mitterrand would then be obliged to nominate a

prime minister acceptable to the new majority, and this prime minister and his cabinet would, according to the constitution, "determine and conduct" the policy of the nation.

The president, however, partly by law and partly by precedent, retains formidable powers, chiefly in foreign and military affairs. Narrowly construed, these amount to command of the armed forces and treaty-making

want, he said, "And the president has the duty to respect their choice." After all, Parliament and president both have their roles. He spoke of the moral authority of the presidency.

In short, if left and right divide presidency and Parliament for two years following the new elections, all will go on working well enough. Mr. Mitterrand will appoint a prime minister from the more moderate wing of the present opposition, or perhaps a controversial figure. There is precedent for this. Neither Georges Pompidou nor Raymond Barre were politicians when named as prime ministers. Mr. Pompidou was a banker and Mr. Barre a professor.

Mr. Mitterrand may be expected then to retreat to the high and serene

ground of moral influence and oversight of the nation's security, while using his still considerable political powers to prepare the way for a Socialist successor in the presidency in 1988. By that time a new conservative cabinet will have had two years during which to do unpopular things.

Such would be a feasible and perfectly reasonable course for Mr. Mitterrand to follow. People will remember, however, that when the "unrowned, unanointed, illegitimate king" was defeated in April 1969 — not in a parliamentary election, but a mere referendum on regional government reform — Charles de Gaulle was gone from the presidential palace by dawn, in silence. It was an austere, regal, acknowledgment that the sovereign people had spoken.

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LETTERS TO THE EDITOR

Bleak Outlook for Oil

Hobart Rowen's opinion column "Cheaper Oil Won't Slow Exploration" (July 18) did not touch on the recent spate of major oil company mergers and "poison pill" defensive measures used by other majors to fight off hostile takeovers. The ensuing debt load thus assumed has almost negated any "normal" exploration by these companies. Until such time that these debt loads can be mitigated, exploration by these majors will be curtailed.

Because of the present oversupply of oil and the above-mentioned factors, exploration now is in the doldrums and will get worse. As a consequence of this very depressed state of affairs, the infrastructure of the drilling industry — the product manufacturers, the service oriented companies and the drilling contractors — are being financially torn apart and many will not exist in sufficient numbers when the "normal" exploration needs are again mandatory.

Hard planning is now needed if we are to maintain a viable drilling industry. Otherwise, OPEC will be handed the opportunity for another crisis on a silver platter. They would probably win that one hands down, or rather, because of missing hands.

HARRY N. McDOW,
London.

Rejoicing Too Soon

Like many Americans living in France, I felt a certain relief upon the departure of Ambassador Evan Galbraith. I rejoiced too soon.

With his interview in the French daily newspaper *Le Figaro*, Mr. Galbraith continued to do violence to Franco-American relations after his departure from Paris.

As a neophyte ambassador, Mr. Galbraith fell into an elementary trap. He failed to realize that the deference paid him by the French would have been accorded any American ambassador, and was not due to his personal brilliance and charm.

The fact is that Mr. Galbraith's predecessor, Arthur Hartman, who was a professional, was much more highly regarded by the French of all political persuasions.

WILLIAM MARVIN,
Consul General, Retired,
Targu, France.

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Nuclear Treaty Cited In Sakharov Treatment

Washington Post Service

WASHINGTON — The head of the Soviet Academy of Sciences has told a U.S. congressman that the dissident physicist, Andrei D. Sakharov, could never leave the Soviet Union because his emigration would violate the 1969 Nuclear Nonproliferation Treaty.

The State Department, in internal documents, characterized the Soviet arguments as "judicious" and "bizarre."

According to documents provided by the office of Senator Paul Simon, Democrat of Illinois, the senator raised the Sakharov issue during a trip to Moscow this month to discuss cultural and scientific exchanges.

Mr. Sakharov, one of the team of scientists that developed the Soviet hydrogen bomb and winner of the 1955 Nobel Peace Prize for his nuclear activities, has been confined to the city of Gorki, off-limits to foreigners, since 1980.

Anatoli P. Alexandrov, president of the Soviet academy, told Mr. Simon on July 9 that allowing Mr. Sakharov to emigrate would be a violation of the Nonproliferation Treaty, according to the documents. Mr. Sakharov is a member of the prestigious academy.



Andrei D. Sakharov

Mr. Alexandrov said that Mr. Sakharov had been privy to nuclear secrets and knowledge of how to construct nuclear weapons, and he could transmit this material to other countries or groups if allowed to emigrate. Another Soviet official present suggested that the knowledge could even lead in the hands of terrorists.

Warsaw's Longest Lines Are No Longer for Food but for Visas

By Michael T. Kaufman

New York Times Service

WARSAW — The longest and most tense lines forming here these days are not in front of most stores or at the dollar shops selling imported goods, but in front of Western consulates where visas are sought.

Each morning, hours before the consulates open, applicants begin lining up, holding the passports they have been given by the government and hoping for a stamp that will let them go to the West for a holiday, a shopping trip, or for a chance to work illegally for a while. Some hope for an opportunity to leave forever.

The stakes are so high and the nerves so taut that conflicts often erupt on the lines. Not long ago, U.S. Marine guards had to clear the consulate in the U.S. Embassy after a brawl between applicants.

The disputes reflect a paradox that has developed since martial law was officially scrapped in 1983. "Before, in the months that followed the suppression of the Solidarity labor movement, the government set up obstacles to departure by denying passports. Many Western governments cited Warsaw's passport policies as proof of repression."

But last year, under more liberalized procedures, the government issued 700,000 passports. This year, government sources say, they expect the number to rise to 1.15 million, or almost 4 percent of the

total population, a figure that in the Eastern bloc is matched only by that of Hungary.

For most of those who want to leave, the area of contention has shifted from the police stations where Poles apply for passports to the consulates where they seek visas.

Some of the same diplomats who complained that Poland was not issuing enough passports are now privately wondering if perhaps the government is dispensing them too freely, particularly to those who intend to work illegally abroad.

The longest visa line is at the West German Embassy, where all Poles with passports are automatically given visas. Some Poles say they believe that the practice is a form of war reparation.

Unlike the representatives of other countries, the West Germans do not demand that applicants show invitations or prove that they have sponsors or demonstrate that they have sufficient funds.

With a consular staff of 28, the West German Embassy is issuing 3,000 visas daily.

Most of the applicants, traveling by train or car, will go to West Germany to shop. At flea markets around Warsaw, some of these returned travelers can be seen peddling their purchases—radios, cosmetics, sweaters, jeans—at a profit.

Some of the travelers have extended their visits, either by just staying on or by formally asking

for asylum. Last winter, many passengers on Baltic shopping cruises left ship in West German ports, declaring themselves refugees.

Two weeks ago, Wladyslaw Kozakiewicz, the Polish pole vaulter who won the gold medal at the 1980 Olympic Games in Moscow, defected in West Germany.

Warsaw says it has no way of knowing how many people are staying abroad after leaving as tourists.

"Ask the governments where these people are staying," said Jerzy Urban, the government spokesman.

Apart from the West German Embassy, the question of the intent of the applicant is critical at other embassies.

A U.S. consular officer said: "If you have a young man or woman, traveling alone, with some distant relative in the States, you almost have to assume that he or she is going to at least try to get a job and earn some money. In that case, we are technically obliged to turn down the applicant, but visa-granting is not an exact science, and a lot depends on how people strike you."

The U.S. consular staff here interviews 200 applicants a day, although the line outside sometimes grows to 500. At the U.S. consulate in Krakow, there is a backlog of 1,800 names. At the French, Italian, Spanish and British Embassies the situation is much the same, and even the Turkish Embassy has long lines regularly.



Poles hoping to obtain a visa line up outside the U.S. Embassy in Warsaw.

While there seems to be no doubt that the number of Poles being allowed to leave with passports is growing, there are categories of people who are finding it harder to go abroad.

The most significant group includes scientists and scholars wanting to attend academic meetings. Their passports fall into a slightly different category from those given for tourist reasons. Many

of these people are being told that they should apply for official passports.

Under new regulations, to receive an official passport an applicant must swear an oath of loyalty to the state and the Communist system. A number of scientists have chosen to stay home rather than do this.

There are also political dissidents who are refused passports for

temporary travel on the grounds that they might "endanger the state."

Some of these people, such as Ryszard Bugajski, have at the same time been offered passports good only for emigration. After three years of such discussions, Mr. Bugajski, 42, finally accepted emigration. With his wife and son, he is preparing to leave for a new life in Toronto.

A-Bomb in War and Politics: At First, Just a Better Weapon

(Continued from Page 1)

using the bomb can destroy each other's entire national life, yet neither could invade the other with large armed forces in the face of atomic bombs used on the convoys, beachheads or airfields. It makes war unendurable. Its very existence should make war unthinkable."

• "Defense against the atomic bomb will always be inadequate."

• "The only defense which we can yet foresee is to stop the carrying vehicle."

• "If we were to possess the atomic bomb, we would not permit any foreign power, other than an ally, to make or possess atomic weapons."

• "If such a country started to make atomic weapons, we would destroy its capacity to make them before it had progressed far enough to threaten us."

The Eisenhower study ended: "If there are to be atomic weapons in the world, we must have the best, the biggest, and the most. All possible methods of delivery of atomic weapons, including aircraft, guided missiles, rockets and submarines should be studied and developed."

The first ventures into nuclear diplomacy were conducted by President Harry S. Truman.

In 1948, the Soviet Union barred land access to West Berlin. President Truman and U.S. allies reacted with an airlift of food and fuel. Faced with the prospect that lift planes could be harassed, President Truman briefly considered the use of nuclear weapons—although the United States then had fewer than five ready for use.

On July 15, 1948, the National Security Council decided to send 60 B-29s to Britain. The decision on the "atomic bombers" was given wide publicity, creating an impression that the U.S. was preparing to use nuclear weapons. However, no nuclear bombs were sent and it has since been disclosed that the B-29s were not even fitted to carry them.

A year later, however, after the crisis eased, nuclear-capable bombers were indeed sent to Britain. And in 1950, at the request of the Pentagon, President Truman agreed to send nonnuclear components for bombs to Britain, and later to bases in the Pacific, so they would be ready on short notice.

The superpower situation changed abruptly in 1949. On Sept. 3 that year, a U.S. B-29, flying from Japan to Alaska on a regular intelligence mission, picked up radioactive debris in the air off Kamchatka Peninsula. When matched with other samples, the debris confirmed that the Soviet Union had detonated an atomic device.

One immediate result was President Truman's decision to proceed with the hydrogen bomb.

After the Korean War broke out on June 25, 1950, he again resorted to nuclear diplomacy.

According to declassified National Security Council papers, the president agreed that nuclear weapons would be used only if total defeat of the United States and other UN forces was imminent. Although the Chinese almost drove U.S. troops into the sea, the United States did not resort to the bomb.

One reason, according to Paul H. Nitze, who was on the State Department's policy planning staff then, was that few bombs were available for use. If nuclear weapons had been used in Korea, Mr. Nitze said, the United States would have been left with too few to deter the Soviet Union in Europe.

Early in 1953 Eisenhower, newly inaugurated as president, was sending messages to North Korea, through Secretary of State John Foster Dulles, threatening use of nuclear weapons to end the Korean War. Former President Richard M. Nixon said in an interview.

Mr. Nixon, who attended those sessions as vice president, contended that the "nuclear diplomacy" helped bring an end to the Korean War satisfactory to Washington.

Mr. Bundy said he believed that President Eisenhower had led his military commanders to think they would get approval to use nuclear weapons. "He didn't mind conveying the message that it could hap-

Nixon Says He Considered Using the Bomb

Bureau

NEW YORK — Former President Richard M. Nixon has disclosed that there were four occasions when he was president when he considered using nuclear weapons.

In an interview with Time magazine, made public Sunday, he said the first time was in 1969, shortly after taking office, when he was seeking to end the Vietnam War. He said the absence of appropriate nuclear and the harm such use would have on his hopes of improving relations with China and the Soviet Union ruled out nuclear weapons.

Nonetheless, hundreds were built and the army is attempting to develop a lightweight model that can be carried by one soldier.

Artillerymen pushed development of a nuclear shell and the so-called atomic cannon. When sent to Europe, these long-barreled weapons were so awkward that they got stuck in the narrow streets and corners of old towns. Lacking roads to move over rough surfaces, they could not be used off roads.

To prove that it could operate on a "nuclear battlefield," the army successfully pushed the Atomic Energy Commission to allow it to hold exercises at the Nevada nuclear test site in conjunction with weapons tests, when the long-term effects of radiation were not yet known.

Soldiers who took part in at least one of these, the 1977 test called Smokey, have suffered a high rate of leukemia.

Interservice rivalry was intense during the 1950s. In the fall of 1951, Dr. J. Robert Oppenheimer, former director of the Manhattan Project, took part in Project Vista, a top-secret study of the defense of Western Europe and possible uses of nuclear weapons there. In that role, he and others met for several days in France with General Eisenhower, the NATO commander.

At a hearing later, Dr. Oppenheimer said they had discussed "anti-air use of atomic weapons, their use to put out enemy airfields." He added that General Eisenhower urged the scientists "to make atomic weapons available."

With the help of Dr. Oppenheimer, the army was able to win Pentagon and congressional support for battlefield nuclear weapons.

Later, according to other testimony at hearings, air force officials were critical of Dr. Oppenheimer's assistance to the army. According to Dr. Herbert F. York, a physicist who headed the Lawrence Livermore Laboratory in California and later worked at the Pentagon, the air force told its civilian scientists not to use Dr. Oppenheimer as a consultant and to keep classified information from him because of the help he had given the army.

The air force also forced a reopening of charges that Dr. Oppenheimer's earlier associations with American Communists and sympathizers represented a "security risk." The Eisenhower administration ordered a hearing in 1954, which resulted in the withdrawal of the physicist's clearance.

The navy, too, was eager. For example, after learning in 1953 that President Eisenhower was searching for a way to use nuclear weapons in Korea should the truce break down, the navy trained four pilots to fly nuclear-equipped fighter

The second occasion was during the Middle East war of 1973, he said, when the Soviet Union threatened to go to the rescue of Egyptian troops trapped in the Sinai Peninsula.

The third occasion was in the early 1970s during border clashes between the Soviet Union and China, when it was felt in Washington that the Soviet Union might resort to nuclear weapons.

Mr. Nixon said the fourth time was during the Indo-Pakistani war in 1971, when it was feared China might intervene and that Moscow would use the intervention as an excuse to attack.



Richard M. Nixon

bombers off the carrier Lake Champlain.

With specially designed vaults for the bombs, the carrier sailed across the Pacific and waited for the order that never came, according to one of the four pilots, who recently retired.

In 1958, when President Eisenhower again asked about using atomic weapons in case the United States had to defend the Nationalist Chinese islands of Quemoy and Matsu from a possible Communist

invasion, the three services developed competing plans. The whole idea was killed when Secretary of State Dulles got estimates that the military options could kill eight million Chinese.

During the mid-1950s, the NATO allies wanted more control over U.S. nuclear weapons deployed on their territories—only the British had then developed their own weapons. The allies discussed, and eventually rejected, the idea of having multinational crews

serve on vessels carrying nuclear weapons.

By the end of the decade, West German fighter-bombers bearing U.S. nuclear bombs were on alert on runways. Only a U.S. guard prevented them from being used without authorization.

In the late 1950s, the Eisenhower administration supplied Turkey with 15 Jupiter intermediate-range missiles, with nuclear warheads. Beginning in 1960, the missiles were deployed near the Soviet border, with U.S. troops guarding the warheads.

Bromley Smith, who was on the staff of the National Security Council at the time, said recently, "They were there for the purpose of reassuring the Turks that the Russians would not come across their border." He added he had been told the Jupiters were deployed "because we had so many of them that they were coming out of our ears and this was a good place to get rid of them."

NEXT: Behind the scenes of the Cuban missile crisis.

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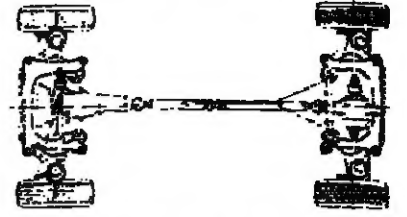
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Behind the Scenes, China Warms to Israel in Trade and Technological Cooperation

By Thomas L. Friedman

New York Times Service

JERUSALEM — While reports surfaced last week about secret exchanges between Israel and the Soviet Union, a far more intense and lucrative relationship has been quietly developing between Israel and China, according to officials here.

In the last seven months, the Chinese have shown increasing interest in Israeli achievements in agriculture, solar energy, manufacturing, advanced technology, robotics, construction, road build-

ing and weapons production, say officials familiar with the trade. Some deals have already been reached and many others are pending, at one stage or another.

China's interest in Israel, which it has not had diplomatic relations with, has been growing in international forums, is seen by experts as one more sign of Beijing's new economic policy, which is aimed at rapid industrial development by adopting modern methods and technology, from many nations willing to sell.

The extent to which the Chinese

have been willing to develop economic ties with Israel, despite the absence of diplomatic relations, was demonstrated just a few weeks ago, Israeli officials said. In the past, virtually all Israeli scholars or businessmen who wanted to visit China had to hold dual citizenship, so they could travel on the passport of a country with which China had ties, such as the United States.

However, according to Israeli government sources, a delegation of nine representatives from various industries, most of them owned by collective farms, visited China

by invitation at the end of May and in early June.

The visitors, government sources said, were given visas on official passports and their delegation was led by Shmuel Pomeroy, director of the Joint Agricultural Planning and Rural Development Authority of the Ministry of Agriculture.

"The fact that Israelis entered China without having to hide their identity is a major step forward for us," an official said.

A spokesman for the Ministry of Agriculture said: "I never heard of the thing. I don't know anything

about it. This fellow won't talk to you about it. You can interpret that any way you want."

The Israeli Foreign Ministry has been equally tight-lipped. A reporter was rebuffed on a routine request to meet with the Foreign Ministry official who deals with Far East economic relations.

However, a top Israeli official, speaking on condition that his name not be published, said:

"The Chinese know that we have developed systems, in agriculture and irrigation for instance, which

they are very interested in acquiring. Israeli businessmen are trying to expand relations. We were one of the first nations to recognize China and we are very interested in reaching better relations, politically and economically."

The Israeli Foreign Ministry has decided to reopen its consulate in Hong Kong within the next few weeks. It was closed in 1975 because of budget cuts and the lack of contacts with China.

According to Israeli officials, the consulate will be used as the main point for diplomatic and economic

contacts. Israeli officials have no illusions that China, which has thousands of workers in the Arab world, will recognize Israel soon.

But they do hold out hope that Israel could have the kind of relationship with China that it has with many African nations, which do not formally recognize Israel but have behind-the-scenes contacts and engage in trade.

Israel has said its consul in Hong Kong will be Reuven Merhav, former head of Israel's brief diplomatic mission in East Beirut, after the 1982 invasion, and a man with experience in sensitive assignments such as Iran.

Chinese trade officials and Israeli businessmen have had no problem making contact, even without the help of an Israeli consulate in Hong Kong.

According to a report several weeks ago in a political weekly, Koteret Rashit, the essence of which has been confirmed by Israeli officials, Chinese provinces and economic development enterprises have submitted more than 70 proposals to Israeli companies since December. They range from the construction of residential neighborhoods to the export of high-technology equipment.

Initially, Jewish businessmen working out of Beijing, Hong Kong, Europe and Australia acted as go-betweens, but now the Chinese are often approaching Israeli companies directly.

"The Chinese are hungry for know-how, ideas, and investments and are prepared to buy anything under the right economic terms," said the journal Koteret Rashit.

"Information on such projects is transferred from China to Israel on facsimile machines. Among the contracts already signed: an agreement to build multistory hotels, a project to build a civilian airport in southern China in partnership with some other Western companies, a contract to establish a chemical-products plant for agriculture in southern China, a contract to provide know-how concerning fish processing and a joint advertising project with Chinese advertisers."

The companies would not agree to use their names for fear that the publicity would harm the deals. Israeli experts on China said there were several reasons why China had become interested in wider dealings with Israel.

"Israel has the image in China of a small country that has been very successful in technology, particularly in information systems and the development of arid zones," said Professor Harold Z. Schiffman, a specialist on China and director of the Harry S. Truman Research Institute at the Hebrew University.

The expert, who has visited China three times since 1982 on his U.S. passport, added: "From Israel, they can get the best technology at the best price."

Israelis Fear Informal Contacts With Russians May Be Harmed by Leaks

By William Claiborne

Washington Post Service

JERUSALEM — Israel's informal contacts with the Soviet Union may have been jeopardized by the leaked report of a meeting in Paris last week between the Israeli and Soviet ambassadors there, senior Israeli cabinet sources say.

While the officials were not prepared to go so far as to say that rapprochement and hopes for a relaxation of Soviet controls on emigration of Jews to Israel had been irretrievably damaged, they said that the disclosure of the meeting clearly had embarrassed the new leadership of Mikhail S. Gorbachev.

Israeli officials have not publicly challenged the Israeli radio report

about the secret Paris meeting, but they have questioned privately the veracity of the alleged interpretation by Ovadia Soler, Israel's ambassador to France, of his meeting with Yuli M. Vorontsov, his Soviet counterpart in Paris.

The officials criticized the handling of the ambassador's call account, which reportedly had not been given a security classification.

For the last two years, the Israeli and Soviet foreign ministers have met openly in New York at the start of the United Nations General Assembly session.

[Foreign Minister Yitzhak Shamir said Monday that he planned to meet the Soviet foreign minister, Eduard A. Shevardnadze, at the UN in October, Reuters reported from Tel Aviv.

[Mr. Shamir told an Army Radio interviewer that arrangements to meet Mr. Shevardnadze in New York were made before the disclosure that the Israeli and Soviet ambassadors to France had met. "There is no connection," he said. "The meeting was planned previously."

A senior official said after the weekly cabinet meeting Sunday: "It is difficult to believe that this leak was of any advantage to the cause of improving relations with Moscow."

At the Paris meeting, Mr. Soler and Mr. Vorontsov were reported to have discussed a deal in which the Russians would allow increased Jewish emigration to Israel in exchange for increased Israeli flexibility in negotiations on the occu-

pled Golan Heights and for assurances that Israel would not encourage anti-Soviet propaganda.

The Soviet press agency Tass issued a denial in Moscow of the Israeli radio report that a relaxation of emigration of Soviet Jews to Israel was part of any agreement. Tass called the report "fabrications about a mythical proposal" and termed the statements attributed to Mr. Vorontsov as "totally groundless."

A Soviet spokesman confirmed Friday that the meeting had taken place, but reiterated the long-held Soviet position that emigration was an internal issue and could not be part of an agreement such as reported by Israeli radio.

The leak appeared to have damaged one of Israel's prime causes since the Jewish state's founding — that of emigration of Soviet Jews — and to have caused consternation in the prime minister's office and the Foreign Ministry.

Details of the meeting were obtained by the ministry by an Israeli radio reporter, Shimon Shifter, apparently from an unclassified cable from Israel's ambassador to France describing his secret meeting with the Russian.

Prime Minister Shimon Peres was reported Sunday night to have sent a personal message to Mr. Gorbachev stressing that Israel held no animosity toward the Soviet Union and expressing the hope that agreement could be reached on a number of issues. The message reportedly was coupled with expres-

sions of regret to Soviet officials by Israeli diplomats in Paris.

There was no official explanation of how such a sensitive cable could have been sent from Paris to Jerusalem without a "secret" classification.

Egyptian Reservations

Prime Minister Kamel Hassan Ali of Egypt said Monday that the emigration of more Soviet Jews to Israel could hamper the Middle East peace process, Reuters reported from Cairo.

Mr. Hassan Ali said that if a deal between the Soviet Union and Israel were to include more Jewish emigration, "this means that more settlements will be built in the West Bank of the Jordan and this in turn is against the peace process."

Lange Says Ship Bomber Is Known

The Associated Press

WELLINGTON, New Zealand — Prime Minister David Lange said Monday that he knew who bombed the Greenpeace ship Rainbow Warrior, in which a crew member died. He did not name anyone.

"From the best information, I have a knowledge of who did it," Mr. Lange said. "And I know, from the best information I have, why it was done."

He said that investigations into the July 10 bombing had established that it was well-planned. He also said that there were clear political overtones but that there was no evidence to suggest that any government or government intelligence agency was involved.

U.S. Cancels Warning About Athens Airport

Reuters

WASHINGTON — The State Department canceled on Monday a warning against travel through the Athens airport. The warning was issued a month ago after a Trans World Airlines jet was hijacked after takeoff from Athens.

The hijacking was the first step in the hostage crisis in which 39 Americans from TWA flight 847 were held in Beirut for 17 days.

A State Department spokesman said a Federal Aviation Administration team inspected the airport last week and found it now met security requirements.

He said the team also took account of a report by the International Air Transport Association, which last week praised the airport's security.



Prime Minister David Lange

Mr. Lange said that he had been briefed on the case. He emphasized, however, that knowing who committed the crime did not necessarily amount to having the evidence needed for a court case. "Let's be quite clear, that's different from having proof which can go to a court of law or having an arrest," he said.

Allan Galbraith, the detective superintendent who is heading the inquiry, declined comment on Mr. Lange's statement. He confirmed, however, that police were close to having enough evidence to bring charges.

The Rainbow Warrior sank in Auckland harbor after two bomb blasts. Fernando Pereira, 36, the ship's photographer, was killed. The vessel, the flagship of the international Greenpeace environmental organization, was to have led a flotilla next month to protest French nuclear testing at the Mururoa Atoll.

Police inquiries have centered on a French-speaking couple arrested with false passports and the French crew of a French-registered yacht that was berthed near the Rainbow Warrior at the time of the explosions.

U.S. Joint Chiefs Oppose War Convention Revisions

(Continued From Page 1)

amounted to an endorsement, in the politically potent form of a legal instrument, of both the rhetoric and the anti-civilian practices of terrorist organizations that fly the banner of self-determination.

He called it "a pro-terrorist treaty masquerading as humanitarian law."

His commentary was not formally approved as an official statement of his position, but Pentagon officials said it did represent the thinking of senior policy makers.

Other officials maintain that the bulk of the protocols are worth salvaging because of provisions that would strengthen extradition and prosecution of terrorists, and attach legal teeth and consequences to taking hostages and using force indiscriminately.

The laws of war are generally grouped under the Hague Convention of 1907, which limited the means and methods of warfare

such as weapons and targets, and the four Geneva Conventions of 1949, which mandated humane treatment of the sick and wounded, for prisoners of war, and for civilians.

Delegates from almost all nations gathered in Geneva in 1974 for what was called the Diplomatic Conference on the Reaffirmation and Development of International Humanitarian Law Applicable in Armed Conflict. Several national liberation movements such as the African National Congress, which opposes the South African government, and the Palestine Liberation Organization took part but did not vote.

Article 1 of Protocol 1 says that the provisions apply to nations and "peoples" who "are fighting against colonial domination and alien occupation and against racist regimes in the exercise of their right of self-determination." The protocol also provides that regional political organizations, such as the Arab League and the Organization of African Unity, will judge which "peoples" constitute a legitimate party to armed struggle.

Mr. Feith argues that this would abolish the traditional definition of international conflicts as being between two or more sovereign nations by giving regional political groups the right to confer on national liberation movements the trappings of sovereignty.

Some administration officials say that this defect can be overcome by a reservation stating that the United States reserves the right to apply or not to apply the provisions to any group of its choosing.

Article 43 also represents a serious problem for critics of Protocol 1 in that it could be read as conferring prisoner of war status on irregulars or terrorists.

This could exempt terrorists from prosecution under criminal law by a sovereign nation. The Geneva Conventions of 1949 confer

prisoner of war status only on regular uniformed combatants.

Article 44 recognizes that there are situations where "owing to the nature of the hostilities an armed combatant cannot so distinguish himself" in these circumstances he can retain combatant status if he carries arms "openly." This is defined as "during each military engagement," in other words during an actual attack, or during "military deployment," a vague phrase.

In their 106-page study of the

protocols delivered to Defense Secretary Caspar W. Weinberger two weeks ago, the Joint Chiefs also listed a number of other concerns.

One section of Protocol 1 bars reprisals against civilians, and the Joint Chiefs were not sure they wanted to abandon this possibility in retaliation against attacks on American civilians. Another section would prohibit attacks on nuclear power plants, dams, and dams, and here again the chiefs hesitated to approve.

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ARTS / LEISURE

Paris Couture Plays Its Strong Suit: Evening Wear

PARIS — The strength of couture lies in evening wear, an area in which Paris couturiers are delivering superbly in their fall-winter collections.

From Jean-Louis Scherrer's gilded Florentine Renaissance look to Cardin's exquisitely draped crêpe dresses, the story was all about dancing and the good life — a story

HEBE DORSEY

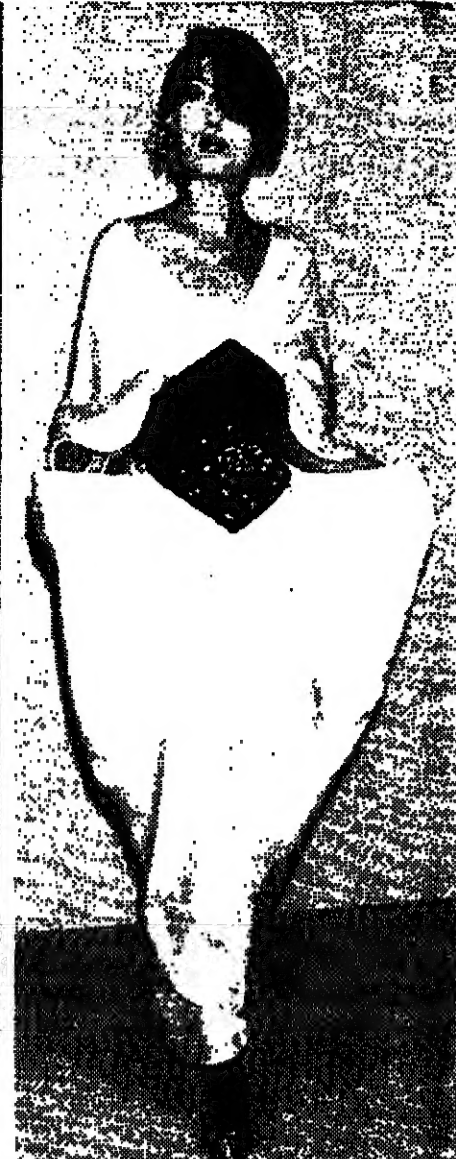
reinforced by a frenzy of balls all over Europe.

"There were no less than 17 balls in Madrid this season," said the socialite Isabelle d'Ornano. Lynn Wyatt, the wife of the Houston oil tycoon Oscar Wyatt, mentioned a dinner-dance recently given in London by U. S. Ambassador Charles Price and his wife, Carol Ann, for the Prince and Princess of Wales.

The strength of the dollar, even now that it is dropping some, keeps bringing chic American women with busy social schedules to Paris, where a couture dress is still infinitely more chic than any ready-to-wear.

Professionals are also back in Paris. Kal Ruttenstein, vice president of Bloomingdale's for fashion direction, said he was attending the couture collections for the first time in 17 years because he felt that fashion was now coming from the top and not only from the streets.

"Sublime," said Bernadette Chirac, wife of Mayor Jacques Chirac of Paris, amid deafening applause after the Scherrer show, one of his best-received ever. Scherrer evidently feels that his boutique, which ranks with Ungaro's as one of the best in Paris, can handle the bread-and-butter daytime clothes so he has turned his couture attention to the carriage trade, women whose lives revolve around parties and resorts.



Evening gowns by Jean-Louis Scherrer (left), Pierre Cardin.

For Gstaad or Saint-Moritz, he offered Russian-influenced outfits, with lavishly fox-bordered coats over velvet ski pants and floor-length culottes. These were topped by jeweled sweaters; accessories in-

cluded fox berets, fur capelets, baroque jewelry and kid booties. The opulent scene was just short of Borgiasque, with an orgy of gold embroidery, shimmering laces and new, beautifully fluid

book embroidery with fluttering, iridescent taffetas struck a lighter note.

At Pierre Cardin's, photographers went mad over the nine models whom the designer imported from China. Cardin, who has a fabrics factory in China and a Maxim's restaurant in Beijing, showed a long and flat look with skirts slit up the sides and Chinese collars, but mixed with familiar Cardin shapes, including kerchief hems, scalloped edges and complicated sleeves. Cardin's partner, André Oliver, who designs the evening wear, did the prettiest draped dresses in Paris, ranging from draped necklines and swept-up sarong hips to back-gathered bustles.

At Dior, Marc Bohan showed short and long without running into trouble. He fared better than in former seasons with his daytime wear, which alternated between very short, full-sleeved and voluminous coats and snappy, long and tight-waisted redingotes.

His evening wear, however, looked clumsy, especially the strapless dresses of black velvet over black jersey turtlenecks. The grillwork embroidery in garish color combinations was not exactly inspired, but the slim black velvet dresses, with rhinestone buttons and coats in bright-colored linings, looked attractive.

Color was important everywhere; Bohan combined purple, hot pink and poison green. Panné velvet, soft and sensuous, was on every designer's mind, as were rich brocades and laces.

Hanet Mori, who started the week of collections on Sunday, is opening a second boutique in a small new deluxe shopping center at the former Roger et Gallet shop on the Faubourg Saint-Honore, along with Karl Lagerfeld, Louis Feraud, Bernard Paris and the jeweler Poiray. She went for expensive effects, such as fur trimmings on coats and suits. Her evening gowns were frankly theatrical, big velvet opera gowns, the kind one wears with a fan and a coronet.

Austrian Wine Scandal Draws Attention to Old Practices

By Nicholas Phythian

LONDON — The use of an anti-freeze chemical to sweeten a batch of Austrian wine has sent a shiver through the normally self-assured wine world, but the practice of doctoring wine is hardly new. The ancient Greeks and Romans used honey and spices to give nature a helping hand and improve a bad summer's product.

The growth of the wine trade into a huge industry, however, has opened new doors for unscrupulous wine makers and merchants. Sometimes those who are willing to bend the rules have the edge, even though wine-producing countries,

anxious to guard their reputations, exercise strict controls.

Wine experts say some producers or shippers tamper with poor-quality wine to pass it off as something better. In France in 1974, for example, some merchants were convicted of selling an inferior wine as Bordeaux. In West Germany, the former president of the winegrowers' association is on trial for passing off wine doctored with sugar as top-quality wine.

Bonn has issued a blacklist of Austrian wines shown by tests to contain the illegal sweetener diethylene glycol, a toxic chemical used in vehicle anti-freeze.

Other techniques for doctoring vary. Wines may be blended but

bear a label exclusive to a famous château or area. Potash or caustic soda may be added to cut acidity, glycerine to add sweetness, coal or oil by-products for body.

Producers have developed permissible tricks that the trade deems permissible; most, for example, add sulphur dioxide to help their wine keep. Some, especially in northern Europe, where grapes can lack the sunshine to make them sweet and ripe, add concentrated grape juice or sugar to sweeten the wine or boost alcoholic content.

Traditionally, the producing countries or regions decide just how far producers can go. The European Community has essentially made uniform the laws of its 10 members, though there are variations, with producers in some regions having to conform to local requirements. Italy, for instance, producers have to meet strict conditions to qualify for the prestigious labels denoting origin.

West Germany, which has some of the northernmost vineyards in the world, allows producers to chaptalize, or add sugar to all wines except the top category, *Qualitätswein mit Prädikat*, which may be sugar only under tight limits specified by law.

Officials say the EC allows up to 15 other additives for improving bouquet, alcoholic content or color. They include albumen, purified sulphur and small quantities of asbestos. Industry sources say none of these substances appears in sufficient quantity to harm wine drinkers.

Spain allows producers to add some ingredients to keep wine from spoiling, and clinic acid to counteract sweetness. Officials in Spain say some producers still use sugar, which was banned 15 years ago, and unauthorized additives such as benzoic acid to treat spoiled wine that should be used for vinegar.

The EC allows blending of wines from member states but insists that the labels say the wine is a mixture. Fake top-quality wines, often exported to the United States, mostly begin life in a bulk shipment of lesser-quality wine and receive their new label far from their place of origin.

"Anybody who has been in the wine trade for some time knows that periodically something comes up," said a British master of wine, Anthony Hanson. But he said he believed wine doctoring tended to be a fringe activity confined to mass-consumption wines.



Scene from Peter Brook's 'Mahabharata,' adapted by Jean-Claude Carrière.

Brook's 'Mahabharata' at Avignon

By Thomas Quinn Curtiss

AVIGNON — The main event of the 39th Avignon festival is the director Peter Brook's latest creation, "Mahabharata," which he has been working on for 10 years and which is having its initial performances in a quarry on the city's outskirts.

A steep, craggy mountainside towers above a rock-dotted expanse of sand traversed by a stream. The audience is seated on tiers of seats built to enclose the performing space. One reaches the improvised alfresco theater by a half-hour boat journey on the Rhône.

This mammoth dramatization of an epic Indian poem is in three parts: "The Game of Dice," "Exile in the Forest" and "War." Each of the trio of lengthy evenings commences at about sundown, 9:30 P.M. In its entirety the presentation runs more than nine hours — and "War" is *le mot juste*. It is never still. Scene swiftly follows scene and the excited tempo of its action has the relentless, unswerving flow of a mighty river. Nothing hesitates, nothing tarries, nothing bores.

"Mahabharata," the Sanskrit classic on which Jean-Claude Carrière has based his trilogy, covers 12,000 pages — 15 times as long as the Bible — and is believed to have been compiled as much as 2,500 years ago. It is the story of a heroic age. Its immortalization of myths and folk tales has influenced religious and philosophical thought.

Its central story relates the bitter conflict that arises between cousin clans, the Pandavas and the Kauravas, to rule a great kingdom. The violent power struggle that ensues brings on barbaric warfare in which the gods and jungle monsters participate, and it leads to such slaughter that humanity is endangered. Some may find a timely warning here, but this point is not stressed in the adaptation, which, like the original, contains no villains. Dreadful crimes are committed, cruel deeds are done in both camps; man, the work intimates, is half god, half beast.

The plays that Carrière has distilled from "Mahabharata" are in a form far from that of classic Sanskrit drama. Their expansive range, their urgent drive and the passages wherein characters speak of their personalities and motives — sometimes in the third person — hint of the Shakespearean approach. The exotic setting is evoked by the gorgeous costumes (Chloé Obolensky), the superb mood lighting (Jean Kalman) and the dance inter-

ludes accompanied by Indian music.

The chameleon nature of the scenario invites variety: It slips quickly from stark tragedy to joyous victory celebrations and from robust comedy to pathos. There is Grand Guignolism in the scene in which a man maims himself and that in which a fallen warrior's corpse is cut open. There is even a soupçon of sex farce in the thwarted seduction of an innocent maid in the second play.

The text, in French, is spoken in a medley of accents by white, black and Oriental players. France is represented by Maurice Benichou in the authoritative role of Krishna. Vittorio Mezzogiorno of Italy has striking elan as a leaping dancing master. Among other exceptionally effective and versatile players are, from Poland, Ryszard Cieslak, formerly of Jerzy Grotowski's troupe, and Andrzej Seweryn; from West Germany, Matthias Habich; from Britain, Bruce Myers; from Japan, the incomparable Yoshi Oida, star of Brook's "Conversation of the Birds"; from Senegal, Mamadou Diouane and Doua Sock; from Burkina Faso, Sogrigu Konyate; and, from Chad, Clément Masdon-

gou. Malika Sarabhai, the only Indian artist in the cast, conveys the endurance of a Mother Courage with graceful dignity as the wife of five kings, and the Lebanese actress Mireille Maalouf, as the queen who covers her eyes with a hand to be one with her blind husband, is a gifted tragedienne.

Brook has an uncommon skill at theatrical illusion. His spectacle leaves the impression of enormous size, but it employs no herds of extras. He has the great outdoors as his scenery, but his company is relatively small: 22 adult players, four child actors and an orchestra of five. Yet his battle scenes appear full-scaled, so filled with thunderous violence and fury that they disclose the naked face of war.

Before "Mahabharata" opens in Paris at the Bouffes du Nord in November, it will tour Madrid, Florence, Frankfurt and probably Athens, Copenhagen and Dublin.

Alain Crombeque, recently appointed director of the Avignon festival, intends to turn the festival into a center for new productions. On his program this year are premieres of Antoine Vitez's staging of Victor Hugo's "Lucrèce Borgia," Tadeusz Kantor's "Revue," Jacques Lassalle's production of Goutheau Lessing's "Emilia Galotti" by the national theater of Strasbourg, and Alain Cuny in "The Isle of the Dead," an adaptation of Strindberg fragments.

The Comédie-Française production of "Macbeth" had its preview showing in the court of honor of the pope's palace this week; it was greeted with some applause and some boing.

Directed by Jean-Pierre Vincent, it was played in the open under a starless sky, for the most part in the dark. Though "Macbeth" is the shortest of Shakespeare's plays (there is a theory that an act was lost), this production, three hours without intermission, gave the impression of being one of the longest plays ever written by anyone.

Philippe Clément ranted as the ignoble Scot, appearing to have mistaken the part for that of Richard III; he rendered Macbeth's meditative soliloquies in the same angry voice as his war cries. Catherine Ferrán's Lady Macbeth was similarly one-keyed.

The costumes, by the avant-garde fashion designer Thierry Mugler, was lavish but extremely bizarre. The witches sported bald pates and ruffled collars, looking like portraits of Montaigne, and Lady Macbeth in the banquet scene was dressed in the golden glory of Elizabeth I at a throne-room reception.

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TUESDAY, JULY 23, 1985

FUTURES AND OPTIONS

Failure of Brokerage Firm
Raises Questions on Safety

By H.J. MAIDENBERG
New York Times Service

NEW YORK — How safe are the funds that futures traders entrust to their brokers? The question arose again last week when the Commodity Exchange in New York, the largest metals futures exchange, approved a plan to compensate customers of a now-defunct member.

It will be raised again next Monday when the Federal Commodity Futures Trading Commission examines the unusual events that caused the collapse of the member concern on March 20.

The regulatory agency will want to know, among other things, why customer funds were frozen, and still are, despite the fact that Volume Investors had kept its customer funds segregated. Gold traders still want to know if the company's collapse contributed to the extraordinary rise in bullion prices the previous day and the subsequent sharp declines that followed.

What is known is that on March 18 several customers of Volume Investors, who had been profitably writing gold options calls for some time, reached their position limits. 4,000 contracts of 100 ounces each. Because writing an options call is the same as selling short, the writers, in effect, had sold short 12 million ounces of gold at various prices.

The writers, who had relatively modest financial resources, were counting on a further decline in gold, in which case the options buyers would not exercise or call away the underlying bullion, and they would be able to continue to pocket the premiums they had received for selling the options.

But on March 19, for reasons that still are not clear, gold prices opened higher and continued to rise, fueled by short covering, to close an extraordinary \$39, to \$339. It was the largest one-day percentage rise ever recorded in gold. Some traders believe the exposed condition of the options writers encouraged bold speculators to push up the price to force the shorts to pay dearly to buy out of their positions.

Whatever the case, the writers apparently could not meet margin calls and their broker, Volume Investors, in turn, could not meet its obligations to the exchange's clearinghouse. An exchange's clearing member, not its customers, must make good on all contracts. The function of clearing houses is to transfer the gains and losses of member firms at the end of every trading day.

"Whether it was unbridled greed on the part of the options writers, the lack of prudent supervision of their accounts by the broker, or whatever, the fact is that Volume Investors became insolvent," said Alan J. Brody, Comex president. "Normally, the unaffected accounts of a collapsed firm are transferred to other brokers. In this case, it was decided to freeze, despite the uproar we knew would follow, in order to sort the mess out."

Last Monday, the Comex and Volume Investors, now in receivership, came to an agreement. Mr. Brody said that his exchange's clearinghouse agreed to give the receivers \$9.2 million and Volume Investors gave \$2.6 million in cash and a note for \$4.1 million, which Comex accepted, to settle the matter.

"We expect that the receivers will start disbursing these funds to customers of Volume Investors within a few weeks," Mr. Brody said, "but I should like to point out that insolvencies of brokerage houses are, unfortunately, not rare and that such situations are bound to crop up from time to time. But what should never happen is the questioning of the integrity of a clearinghouse, and in our industry it still hasn't."

Meanwhile, the two major principals in Volume Investors, Charles E. Federbush and Owen J. Morrissey, said they had no intention of reviving their firm. "What happened to us," Mr. Federbush said Friday, "is a broker's nightmare. Our biggest customers chose not to meet their obligations. As for Owen and I, we never questioned our responsibilities to our nondefaulting customers."

Currency Rates

Cross Rates	July 22
Australian dollar	1.2505
Belgian franc	36.25
British pound	1.6425
Canadian dollar	0.7515
Deutsche mark	1.7815
French franc	6.5535
Italian lira	1.3635
Japanese yen	163.65
Swiss franc	1.4815
West German mark	1.7815
Yen	163.65

Source: Reuters, Comex, Bank of America, Citicorp, etc.

Interest Rates

Rate	July 22
1 month	8.5%
3 months	8.5%
6 months	8.5%
1 year	8.5%

Source: Reuters, Comex, Bank of America, Citicorp, etc.

Key Money Rates July 22

Rate	July 22
1 month	8.5%
3 months	8.5%
6 months	8.5%
1 year	8.5%

Source: Reuters, Comex, Bank of America, Citicorp, etc.

Gold

Rate	July 22
1 ounce	\$339.00
100 ounces	\$33,900.00

Source: Reuters, Comex, Bank of America, Citicorp, etc.

Profits Declined
In U.S.

Analysts Cite
Slow 2d Period

By Jonathan P. Hicks
New York Times Service

NEW YORK — Corporate profits appear to have fallen moderately in the United States in the second quarter, according to economists.

The weak earnings, they said, are the result of slow economic growth, the continued strength of the dollar, the widening trade deficit and a trend toward doing more business with foreign suppliers.

Economists said a sufficient number of corporations had reported by the weekend for them to draw conclusions.

Data Resources Inc., an economic research concern, estimated the total of annualized, seasonally adjusted, after-tax profits for the second quarter at \$136.3 billion, down 2.1 percent from a year earlier. Profits in the first quarter were \$141 billion, the company noted.

The profits of computer concerns slumped and those of consumer product companies were up slightly. Military contractors and communications companies were mixed and airlines were higher.

"There are a combination of things that would have to happen in order for things to change," said Elise Schepeler, a spokesman for International Business Machines Corp., which reported a 12.9-percent decline in earnings.

A lot depends on reducing the budget deficit and bringing down interest rates further, which will lessen the burden of a strong U.S. dollar," she said.

The mixed results reported by companies that rely heavily on military contracts was a departure from recent years, when the Reagan administration's military buildup brought strong profits.

"Companies in the defense area are still doing relatively well, but there are cycles and it's even that industry is going through," said Robert A. Gough, a senior vice president at Data Resources.

In the communications industry, newspaper publishers reported higher results than broadcasters.

Air War in the California Corridor

Aircal Polishes
Image in Bid to
Overtake PSA

By Pauline Yoshibashi
New York Times Service

LOS ANGELES — In the "California Corridor" between Los Angeles and San Francisco, the busiest air route in the United States, Aircal Inc. is waging a slick, multimillion-dollar marketing war against Pacific Southwest Airlines Inc. for the top position.

Aircal Inc., a regional airline that draws about 70 percent of its revenue from the Los Angeles-San Francisco market, hopes to win over a majority of the 6.6 million travelers who each year fly between the four Los Angeles-area airports and the San Francisco Bay area's three airports. The trip is 350 miles (564 kilometers) one way.

After three straight years, aggravated by fare cutting, that threatened to bankrupt the New York Beach-based carrier, Aircal returned to stable prices and profitability last year. Since then it has poured millions of dollars into new Boeing 737-300 jets and a barrage of advertising aimed at unseating its rival. The company has signed a contract to lease 12 jets valued at \$300 million, and it has options for 11 more.

PSA, recovering from its own financial slump, is fighting back with an advertising blitz and a new \$1-billion fleet of planes that the company hopes will expand its business in the Pacific Northwest.

The San Diego-based line helped create the corridor's competitive atmosphere in the 1960s and 1970s by initiating low-fare, high-frequency flights before the industry was deregulated in 1978. But PSA and Aircal discovered that fare wars were a disastrous form of competition, and are now focusing on services and marketing strategies instead.

Despite average load factors of 55 percent and increased frequency of flights, the carriers' prices have remained untouched for a year and a half. A full-price fare is about \$89 and the discount price is \$69 for a one-way flight.

They have discovered the art



Aircal jets parked at a Los Angeles airport as a Pacific Southwest Airlines plane takes off in the background.

of plugging air travel as a consumer product. "What you see out there is a microcosm of the industry," said an airline analyst who asked not to be identified. "They're learning to sell their service as if it were soap."

Business commuters, the mainstay of the market, seem to respond well to the new pitch. "When it comes to choosing a service like this, it often comes down to tie breakers, such as the frequent-flier programs or snacks," said Christopher E. Chapin, a consultant who flies more than once a week between his San Francisco-area office and Los Angeles, where he has clients. He said he preferred PSA for its frequent-flier program and slightly more efficient boarding system.

Ross Jamison, a salesman based in the Los Angeles area who also flies the corridor regularly, said he preferred Aircal. "They're both pretty reliable, but I like Aircal's attendants," Mr. Jamison said. "They're always friendly, and you don't want to be hassled after a long day at work."

In recent months, Aircal claims to have raised its market share to 35 percent, from 30 percent, at PSA's expense. PSA denies that it has given up so much business to Aircal.

According to the U.S. Department of Transportation's statistics for 1984, more passengers fly between the San Francisco Bay area and the Los Angeles area than between any other two points in the country. PSA had 45 percent of that business and Aircal 30 percent, department figures show. United Airlines had approximately 17 percent, with the rest being divided among Western Airlines, the Los Angeles-based carrier, and other lines.

Most of the corridor's growth has come from the satellite airports — in Long Beach, Ontario and Orange County to the south and San Jose and Oakland to the north — that have attracted a growing number of business travelers.

Aircal, whose 1984 revenue of \$305 million was slightly less than 60 percent of PSA's \$501 million in airline revenue, has more than tripled its flights in the corridor since the beginning of 1983. "It's clear that Aircal is doing well at someone's expense," said David Sylvester, an

(Continued on Page 11, Col. 3)

OPEC to Focus
On Price Levels,
Not Production

By Bob Haggerty
International Herald Tribune

GENEVA — Members of the Organization of Petroleum Exporting Countries agreed Monday at a full meeting to defer haggling over production quotas and to concentrate instead on pricing.

OPEC ministers said they would discuss production at a later meeting, perhaps in the autumn. Meanwhile, a Saudi proposal to trim the official OPEC price of heavy crude oil appeared likely to gain at least reluctant approval from a majority of members, though several have rejected it.

The ministers were scheduled to continue their meeting Tuesday morning.

OPEC is groping for a way to stabilize oil prices, which have fallen about 25 percent over the past five years. The price decline has reduced the 13 members' share of the non-Communist world oil market from more than 60 percent to about a third.

Subito, Indonesia's oil minister who is serving as president of the conference, exhorted members to unite and to stop cheating on pricing and production agreements. He said OPEC's critics were hoping that the organization would fall apart, and added, "We shall not give them that satisfaction."

OPEC's official prices are \$1 to \$3 a barrel above current market rates, but most member countries sell their oil at a market-related price. Saudi Arabia, which has insisted on charging the official OPEC price, has seen its output fall to a 20-year-low of around 2.2 million barrels a day.

As major producers of heavy crude, the Saudis are hoping that a more competitive price will be set for that oil type to help them boost sales. The current official price for heavy crude is \$26.50, compared to a market price of around \$25.

Saudi Arabia has not publicly named the size of the cut it is seeking. But the kingdom is forecasting greater demand, and the reduction presumably would leave its price well above the market level.

The Saudi proposal is supported

by Kuwait, another big producer of heavy crude. Most other members appear likely to agree to it in light of Saudi Arabia's power to flood the market and depress prices worldwide.

Iran, Libya and Algeria oppose official price cuts on principle although they sell their oil at market prices. The three countries dissent from OPEC's decision last winter to cut the price of light crudes by \$1 and to price heavy crudes by 50 cents.

Mano Saïd al Oteibi, the United Arab Emirates' oil minister, also expressed reluctance to accept any price cuts. In a poem he customarily delivers at OPEC conferences, he called price-cutting "the impotent's step to surrender."

The production question is even more contentious, with several members, notably Iraq and Ecuador, pressing for higher quotas.

Ecuador already is producing at a rate that exceeds its daily quota of (Continued on Page 15, Col. 5)

Unemployment
Is Down in EC

Reuters

LUXEMBOURG — Unemployment in the European Community fell from 12.3 million people in May to 12.1 million in June, but the June figure was 2.8 percent higher than a year ago and the rate was expected to rise again soon, the community's statistics office said Monday.

Reductions in the jobless rate from June 1984 to June 1985 were recorded in Denmark, Belgium and the Netherlands, with unemployment rising significantly in Britain, Ireland and Italy, according to the seasonal adjustments figures.

The number of people registered at unemployment offices in community member countries, excluding Greece, which does not keep complete figures, represented 10.7 percent of the working population.

British Telecom, AT&T
Said to Plan Venture

By Eric N. Berg
New York Times Service

NEW YORK — British Telecom PLC is expected to announce this week a venture with American Telephone & Telegraph Co. to provide rooftop-to-roof communications between New York and London.

Executives from both companies declined to discuss the project before a news conference scheduled for Thursday in New York is held. But according to experts in international communications, the new offering may be similar to Satstream, a service begun in February 1984 by British Telecom to provide rooftop-to-roof calling between Britain and Canada.

The term rooftop-to-roof means that calls are transmitted from a satellite antenna dish on a customer's roof to a communications satellite and then to another privately owned roof dish on the receiving end.

Such calls now are typically sent over land lines from the American customer's premises to one of four giant, shared dishes in the United States. They are then bounced off an international communications satellite to a shared dish on the receiving end before they travel over more land lines to reach their destination.

The current method works well, but it is costly. Communications professionals estimate that close to 50 percent of the cost of a New York-to-London call, for example, is incurred carrying the signal the

relatively short distances between Manhattan and Andover, Maine, the site of one of the satellite dishes, and between British Telecom's dish and central London.

"As a customer, I can leapfrog those terrestrial charges entirely if I can put an earth station next to me," said Roger J. Cochetti, a spokesman for the Communications Satellite Corp., which earlier this month started a service similar to the one that British Telecom and AT&T are expected to announce.

Whether British Telecom and AT&T will actually propose to place dishes directly on customers' roofs is not clear. Since a privately owned dish can cost about \$3 million, it could result in companies instead erecting shared dishes near customers' premises.

The venture is important to British Telecom's image in North America. The company, which had been the government-owned phone monopoly in Britain, was sold to the public last year and was eager to shed its image as a stodgy bureaucracy unable to participate in new communications technologies.

About 25 companies have applied for licenses to erect roof dishes for international calling. More applications are expected.

It remains to be seen whether the market can support dozens of players. For one thing, close to one-third of all international calls are still carried by underwater cable. For another, rooftop-to-roof calling is, by definition, a private service for talking or sending computer data between two numbers only. Callers can only call where a dish has been installed.

Industry experts estimate that the market for rooftop-to-roof calling will be about \$100 million for American carriers by 1990. The market for the current way of making international calls is about \$2 billion for American carriers.

To Our Readers

We are replacing the NASDAQ National Market list of U.S. over-the-counter stocks with a new, selected list of NASDAQ-quoted OTC issues. This list contains the 1,000 OTC listings with the highest market value, as defined by per-share price multiplied by shares outstanding. The list, from The Associated Press, is updated about every six months. The new list also contains additional information about each issue: high and low prices for the preceding 12 months.

The full, weekly NASDAQ National Market list and the NASDAQ National List of smaller companies, will continue to be published every Monday.

Also, we are beginning two new, regular features. One is a daily summary of activity in the Euro market and the other a daily foreign-exchange-market summary. In addition, on Wednesdays and Fridays, we will expand space for Business People and our daily earnings listings will also be expanded.

ARGENTINE REPUBLIC
EXTERNAL U.S. \$ BONDS
BONOS NOMINATIVOS
THE WESTON GROUP
Enquiries to:
CH-1003 LAUSANNE
2 Rue de la Paix
Tél: 258699
Tel: 021/20 17 41.

NEW ISSUE
These Bonds having been sold, this announcement appears as a matter of record only
JULY 1985
U.S. \$75,000,000
BSN
(Incorporated with limited liability in The Republic of France)
6 3/4% Convertible Bonds Due 2000
convertible into ordinary shares of BSN
Lazard Frères et Cie
Credit Suisse First Boston Limited
Banque Paribas Capital Markets
Crédit Lyonnais
Banque Nationale de Paris
Deutsche Bank Aktiengesellschaft
Generale Bank
Lombard Odier International Underwriters S.A.
Morgan Guaranty Ltd
Morgan Stanley International
Nomura International Limited
Société Générale
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited
Algemeene Bank Nederland N.V.
Julius Baer International
Bank Cantrade Switzerland (C.I.)
Bank Gutzwiller, Kurz, Bungeer (Overseas)
Bank Heusser & Co. Ltd.
Bank Leu International Ltd.
Bank in Liechtenstein AG
Banque Bruxelles Lambert S.A.
Banque de Dépôts et de Gestion
Banque Indosuez
Banque de Neufville, Schlumberger, Mallet
Banque Romande
Banque Transatlantique
Bordier et Cie
Caisse Centrale des Banques Populaires
Clariden Bank
Compagnie de Banque et d'Investissements, CBI
Crédit Agricole
Crédit Commercial de France
Crédit du Nord
CSFB-Effektenbank AG
Dajwa Europe
DG BANK
Dresdner Bank
Gefina International Limited
Genossenschaftliche Zentralbank AG
Hentsch & Cie
Hoare Govett Ltd
Kleinwort, Benson
Lazard Brothers & Co.
Lazard Frères & Company
Lloyds Bank International
Merrill Lynch Capital Markets
New Japan Securities Europe
The Nikko Securities Co., (Europe) Ltd.
Nippon Kangyo Kakumaru (Europe)
Sal. Oppenheim Jr. & Cie
Peterbroeck, van Campenhout & Cie. S.C.S.
Pictet International Ltd
Piereson, Hekking & Pierson N.V.
Rothschild Bank AG
Sarasin International Securities
J. Henry Schroder Wagg & Co.
SGS Finance S.A.
Société Financière Mirelis S.A.
Swiss Volksbank
Union Bank of Finland
United Overseas Bank S.A.
Verband Schweizerischer Kantonalbanken
Westdeutsche Landesbank
Yamaichi International (Europe)
Financial Adviser to BSN:
Lazard Brothers & Co., Limited



RÉPUBLIQUE TUNISIENNE

MINISTÈRE DE L'ÉCONOMIE NATIONALE
COMPAGNIE DES PHOSPHATES DE GAFSAAPPEL D'OFFRES INTERNATIONAL N P 2223
TERRASSEMENTS GÉNÉRAUX À KEF EDDOUR

La Compagnie des Phosphates de Gafsa se propose de lancer un appel d'offres international pour la réalisation des travaux de terrassements généraux pour les ouvrages suivants :

- Services généraux et carreaux mine
- Manutention de la carrière à la laverie (convoyeur)
- Laverie et expédition.

Les entreprises spécialisées dans ce genre de travaux peuvent dès la parution de cet avis retirer le dossier d'appel d'offres, auprès de notre service général au : 9, rue du Royaume de l'Arabie Saoudite - Tunis, contre le versement de la somme de trente dinars.

Les offres établies sous peine de nullité, en langue française devront être adressées en deux parties bien distinctes :

- Une enveloppe 'A' dûment fermée comprenant les spécifications techniques relatives à l'offre à savoir :

- Moyens matériels à mettre en œuvre
- Références du personnel d'encadrement.
- Une enveloppe 'B' dûment fermée, comprenant les documents suivants :

- Soumission établie conformément au modèle joint au dossier d'appel d'offres.
- Bordereaux de prix et devis estimatif.

Ces deux enveloppes seront placées dans une troisième enveloppe dûment fermée et scellée, à adresser par voie postale sous pli recommandé au nom de Monsieur le Directeur des achats 2130 Metlaoui (Tunisie) avec la mention suivante au coin supérieur gauche :

'A.O. N P 2223 - Terrassements Généraux à KEF EDDOUR, ne pas ouvrir avant le 21 Août 1985 à 10 heures.

L'ouverture publique des plis aura lieu le 21 août 1985 à 10 heures au siège de la Direction Achats à Metlaoui.

Toute offre nous parvenant par télé ou après cette date ou ne respectant pas les conditions ci-dessus stipulées, sera automatiquement rejetée sans recours.



RÉPUBLIQUE TUNISIENNE

MINISTÈRE DE L'ÉCONOMIE NATIONALE
COMPAGNIE DES PHOSPHATES DE GAFSAAPPEL D'OFFRES INTERNATIONAL N P 2224
CHARPENTE MÉTALLIQUE DU PROJET KEF EDDOUR

La Compagnie des Phosphates de Gafsa se propose de lancer un appel d'offres international pour la réalisation de la charpente métallique du projet KEF EDDOUR à savoir :

- Ateliers et hall d'entretien
- Dépôt de gaz
- Magasin de pièces de rechange
- Carreau minier
- Portique
- Clôtures des dépôts.

Les entreprises spécialisées dans ce genre de travaux peuvent dès la parution de cet avis retirer le dossier d'appel d'offres, auprès de notre service général au : 9, rue du Royaume de l'Arabie Saoudite - Tunis, contre le versement de la somme de trente dinars.

Les offres établies sous peine de nullité, en langue française devront être adressées en deux parties bien distinctes :

- Une enveloppe 'A' dûment fermée comprenant les spécifications techniques relatives à l'offre à savoir :

- Moyens matériels à mettre en œuvre
- Références du personnel d'encadrement.
- Une enveloppe 'B' dûment fermée, comprenant les documents suivants :

- Soumission établie conformément au modèle joint au dossier d'appel d'offres.
- Bordereaux de prix et devis estimatif.

Ces deux enveloppes seront placées dans une troisième enveloppe dûment fermée et scellée, à adresser par voie postale sous pli recommandé au nom de Monsieur le Directeur des achats 2130 Metlaoui (Tunisie) avec la mention suivante au coin supérieur gauche :

'A.O. N P 2224 - Charpente Métallique KEF EDDOUR, ne pas ouvrir avant le 23 Août 1985 à 10 heures.

L'ouverture publique des plis aura lieu le 23 août 1985 à 10 heures au siège de la Direction Achats à Metlaoui.

Toute offre nous parvenant par télé ou après cette date ou ne respectant pas les conditions ci-dessus stipulées, sera automatiquement rejetée sans recours.



RÉPUBLIQUE TUNISIENNE

MINISTÈRE DE L'ÉCONOMIE NATIONALE
COMPAGNIE DES PHOSPHATES DE GAFSAAPPEL D'OFFRES INTERNATIONAL N P 2225
GÉNIE - CIVIL - PROJET KEF EDDOUR

La Compagnie des Phosphates de Gafsa se propose de lancer un appel d'offres international pour la réalisation des travaux de Génie-Civil à KEF EDDOUR à savoir :

- Services généraux
- Manutention
- Laverie

Les entreprises spécialisées dans ce genre de travaux peuvent dès la parution de cet avis retirer le dossier d'appel d'offres, auprès de notre service général au : 9, rue du Royaume de l'Arabie Saoudite - Tunis, contre le versement de la somme de trente dinars.

Les offres établies sous peine de nullité, en langue française devront être adressées en deux parties bien distinctes :

- Une enveloppe 'A' dûment fermée comprenant les spécifications techniques relatives à l'offre à savoir :

- Moyens matériels à mettre en œuvre
- Références du personnel d'encadrement.
- Une enveloppe 'B' dûment fermée, comprenant les documents suivants :

- Soumission établie conformément au modèle joint au dossier d'appel d'offres.
- Bordereaux de prix et devis estimatif.

Ces deux enveloppes seront placées dans une troisième enveloppe dûment fermée et scellée, à adresser par voie postale sous pli recommandé au nom de Monsieur le Directeur des achats 2130 Metlaoui (Tunisie) avec la mention suivante au coin supérieur gauche :

'A.O. N P 2225 - Génie - Civil - KEF EDDOUR, ne pas ouvrir avant le 28 Août 1985 à 10 heures.

L'ouverture publique des plis aura lieu le 28 août 1985 à 10 heures au siège de la Direction Achats à Metlaoui.

Toute offre nous parvenant par télé ou après cette date ou ne respectant pas les conditions ci-dessus stipulées, sera automatiquement rejetée sans recours.

Airlines Are Battling in the California Corridor

(Continued from Page 9)

airline industry analyst with Ham-

brock & Quist Inc.

"Aircal is attempting to carve

out some recognition by duplicat-

ing the flair that PSA had as its

trademark years ago," Louis A.

Markessano, an analyst with Jan-

ney Montgomery Scott Inc., said in

reference to Aircal's image-build-

ing campaign that emulates the col-

or and innovation once associated

with its rival.

David A. Banniller, Aircal's re-

cently appointed president and

chief operating officer, acknowl-

edges the company's previous lack

of salesmanship. He said there had

been a joke that people in the San

Fernando Valley, near Los Ange-

les, "thought Aircal made air con-

ditioners. We had to let people

know who we are, and that we have

a quality product."

In further attempts to woo trav-

elers, Aircal improved its reserva-

tion service, stressed its increased

leg room, improved its frequent-

-flyer plan and started an "Almost

First-Class" service that serves

snacks and wine even on the hour-

long flights to and from San Fran-

cisco. It retained Admarking Inc.,

a Los Angeles agency, to spread the

word in floods of radio and televi-

sion spots.

PSA countered by introducing

automatic check-in machines, of-

fering more flights on the half-hour

during peak periods and by hiring

Young & Rubicam to spruce up its

image. It also negotiated with

Trans World Airlines Inc. to make

its frequent-flyer program more at-

tractive.

"It had become hazy in the con-

sumer's mind just what we stood

for," said Paul C. Barkley, PSA's

president and chief executive offi-

cer. "But we're spending a lot of

bucks to tell people about our im-

proved product. We have the best

frequency and high reliability, and

our frequent-flyer program is as

good a program as can be done."

After a net loss of \$35.6 million

in 1982, Aircal eliminated routes to

Fresno, Monterey, Las Vegas and

Phoenix to take on the much larger

PSA in the Los Angeles-San Fran-

cisco market. The management

also reduced the work force by 25

percent and negotiated 10-percent

wage cuts that were reimbursed by

150 percent this year after the car-

rier returned to profitability.

PSA, which also suffered from the

fare wars, recession, high fuel

prices and a disappointing season

during the summer Olympics at

Los Angeles in 1984, suffered

smaller net losses but also renegoti-

ated employee contracts, and in

1982 it began its conversion to

more fuel-efficient jets.

Customer complaints prompted

the company to remove 15 of the

100 seats in each of its new British-

made aircraft, the BAe-146. But

PSA's expansion in other markets,

such as Seattle, Portland, Oregon,

and Vancouver, British Columbia,

may compensate for the low capac-

ity on some of the shorter flights

for which the BAe-146 was de-

signed.

With no immediate new competi-

tion in sight, Aircal and PSA can

continue to fire at one another

without damaging their yields.

Speaking of the current competi-

tion for market share, Mr. Sylvester

of Hambrecht & Quist said, "Aircal

jumped out to a lead, but PSA is

learning to play the game too. It's

hard to say just how it will end up."

Earnings

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Canada

Cairmont Fairview

1st Half 1985 1984

Revenue 177.9 134.1

Net Inc. 10.6 15.1

Per Share 0.16 0.24

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

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Net Inc. 10.6 15.1

Per Share 0.16 0.24

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Per Share 0.16 0.24

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 177.9 134.1

Net Inc. 10.6 15.1

Per Share 0.16 0.24

Over Seas 0.0 0.0

Bousch & Lomb

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

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Domestic 0.0 0.0

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Net Inc. 1.0 1.0

Per Share 0.10 0.10

Over Seas 0.0 0.0

Domestic 0.0 0.0

1st Half 1985 1984

Revenue 10.0 10.0

Net Inc. 1.0 1.0

Per Share 0.10 0.10

Tables include the nationwide prices
up to the closing on Wall Street
and do not reflect late trades elsewhere.
Via The Associated Press

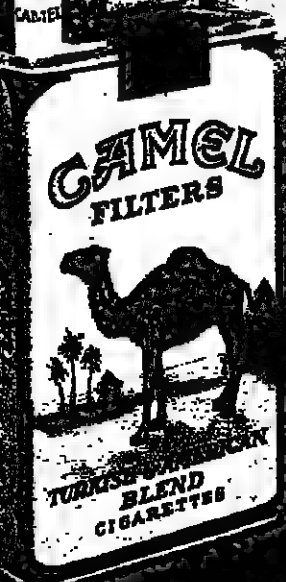
Tables include the nationwide prices
up to the closing on Wall Street
and do not reflect late trades elsewhere.
Via The Associated Press

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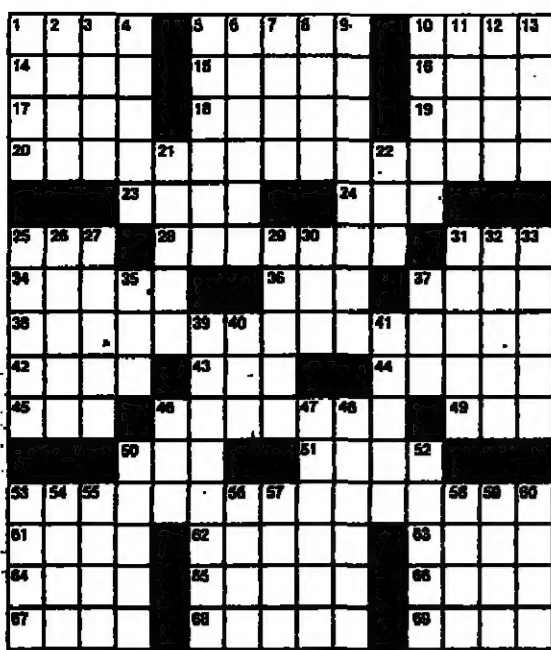
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**The world's
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ACROSS

1 Followers of bees
5 Roll dice
10 Moby Dick's pursuer
14 Senator Garn's state
15 Capital of Mallorca
16 Valley
17 Attract
18 Persian
19 Chester
20 No. 13
21 Liberate
22 More!
23 "Ball"
24 A gland
25 Cheer
26 Charn or cash
27 member's
37 Buddhist church, in Japan
38 No. 25
42 Dutch cheese
43 Prevaricate
44 Ship of
45 Ecole
46 Purplish red
48 Affirmative reply

DOWN

1 Grass stem
2 Needlecase
3 James
4 Carter (No. 39)
5 Extended
6 Not so easy
7 King of Norway
8 Kind of bus
9 Football position
10 No. 2 or 6
11 Aureole
12 Having wings
13 Well, in Milano
14 Hindu lamp
22 Diamond
23 Hemmed and
26 Playwright's play
27 Spanish land
28 Gantry or Fudd
29 Managua is its cap.
31 Kind of race
32 Mountain crest
33 No. 19
35 Yale campus tree
37 Explosive, for short
39 Averse (to)
40 Prefix with East
41 French river
42 Sappho
43 creation
47 Fluffy fare
48 Rescuers
50 Turn away
52 Herbert Hoover (No. 31)
53 Picnic pest
54 Abundant
55 Pearl Buck heroine
56 Panamanian native
57 Dancer Bambi
58 Prayer ending
59 Memo
60 Sketched

PEANUTS



BLONDIE



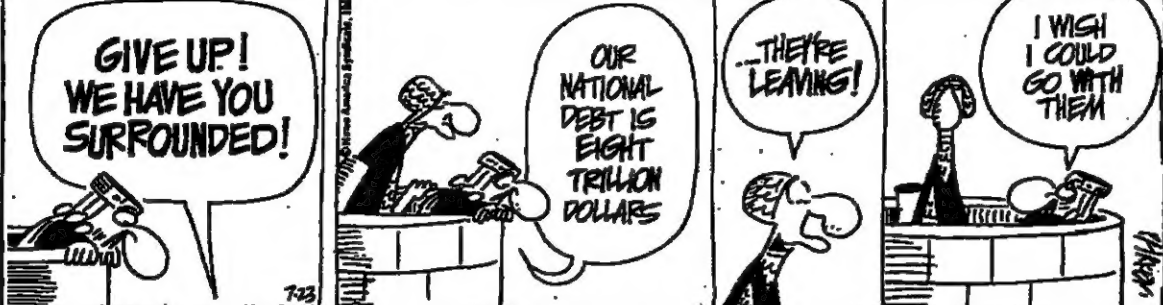
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

THE HOUSE OF MITFORD

By Jonathan Guinness. With Catherine Guinness. 604 pages. \$22.95. Viking Penguin Inc., 40 West 23d Street, New York, N.Y. 10010.

Reviewed by Victoria Glendinning

THIS is an urbane family saga for those who belong to what Jonathan Guinness calls "the talking classes." The Mitford girls have been talked about virtually since Nancy, the eldest, was born in 1904; she became a novelist and a francophile. Diana married the fascist Sir Oswald Mosley, and Unity idolized Adolf Hitler, Jessica became passionately leftist. Pam and Debo opted out of notoriety, though Debo is distinguished as the Duchess of Devonshire and chateleine of Chatsworth.

There is a biography of Unity, and a life of Nancy by Selma Hastings is in preparation. Nancy's autobiographical novels and the memoirs of several other sisters have contributed to the Mitford mythology and the Mitford industry, to which "The House of Mitford" is a hefty addition. Jonathan Guinness is the son of Lady Diana Mosley's first marriage, and his daughter Catherine has helped him with the research. He is at pains to point out that he is taking the Mitford story seriously; the society gossip-column style in which their activities have been chronicled (there has even been a musical) has trivialized them. His book begins with extended studies of the two grandfathers—Bertie

Mitford, landowner, member of Parliament and the first Lord Redesdale, and Thomas Gibson Bowles, magazine proprietor, satirist and practical joker. More than 200 pages of family history must be faced before the Mitford girls and their brother, Tom, make their appearance.

Elsewhere, however, the author playfully deflects the reader from the serious approach that he himself has proposed: "The trouble is that number of rather solemn people have found occasion to write about the Mitfords." His narrative is despoiled by quotations from poets, personal asides about Paris traffic and modern architecture, and facetious references to grave events, such as "a bit of bother" in Hungary in 1956.

Jessica, a prominent leftist writer, is the only surviving Mitford sister who did not cooperate with the Guinnesses for this book. Guinness, on the far right of the British Conservative Party, and while he gives due weight to every variety of Mitford political attitude, a concluding note is discernible on the subject of leftist "waffle." And when Diana fell in love with Oswald Mosley, both the man and his ideas, "it was the passion of Juliet and at the same time it was the conversion of St. Paul"—assimilating analogies to apply to a married woman with two children, falling for the leader of the British Fascists.

Not unfairly, Guinness claims that here "we have to picture a woman not as it appears today but as it appeared in 1933." In any case, Diana and Unity "I want everyone to know that I was a Jew hater" stuck to Hitler in the years that followed; Diana's wedding reception after her marriage to Mosley was in Goebbels's house. Unity's extremism was on the grand scale that combines moral idiocy with tragedy. On the outbreak of war, she made a suicide attempt that left her brain-damaged.

Guinness crowns his discussion of this easy topic by drawing a distinction between Mosley's hostility to the Jews, "apparently on political grounds, and Hitler's 'anti-Semitism,' there was a 'vital difference' between Mosley and Hitler which it is 'only fair' to acknowledge, he says: 'For Hitler, a Jew, however well-intentioned, could never fully renounce his Jewishness. For Mosley he could do so.' Words fail me.

Victoria Glendinning has written biographies of Edith Sitwell and Elizabeth Bowen and is at work on a biography of Rebecca West. She wrote this review for The Washington Post.

Solution to Previous Puzzle

OVID LUCCA BOG
HIDE AROAR AAG
MISSISSIPPI SAN
MAP ARR BASALT
AREOLA ALIEN
HENRI WIEN GLAD
ATTIC IDA PTERO
LEARN TRET OZONE
OBER CLEVER
SECOND SRI ILS
ACROSS SHES
RIO SUSQUEHANNA
GOD ERECT DUES
ONE SEAMS ENOS

CHESS

By Robert Byrne

DIMITRI London, a 22-year-old master, and Joel Benjamin, a 21-year-old international master, both of Brooklyn, and Yehuda Gruenfeld, a 29-year-old Israeli grandmaster, tied for first in the Brooklyn College Open. Each scored 3½ in the four-round, 34-player Swiss-system tournament.

Sharing fourth place were the Brooklyn grandmaster Dmitry Gurevich, the Queens international master Maxim Dlugy and Jay Bonia of Queens. Each tallied 3-1.

London defeated Dlugy in a mating attack of wild abandon in the third round.

Two traps that every player of the Caro-Kann classical variation must know are: 7... Q-N3ch; 8 R-N1, F-K4 would fail against 24 P-B4 QxPch, K-N3, 10 B-Q3ch, K-R4; 11 Q-R3mate and 8... QxP; 9 N/1-B3, Q-Q4 (9... B-N5ch? loses a piece to 10 P-B3, BxPch; 11 K-B1); 10 N-K5, QxNp; 11 R-B1, K-B2; 12 N/K5-B3, Q-N5; 13 NxBp! with a powerful attack.

Dlugy, who is a connoisseur of the Caro-Kann, chose what may be Black's best defensive method—12... N-N; 13 N-N, 0-0; 14 B-Q2, Q-Q4. Instead, a violent attempt to attack with 15 B-Q4, QxP; 16 P-Q3 has been seen, but the Queens grandmaster Leonid Shamkovich has cast doubt on

White's adventure with his suggestion of 16... N-Q4?

Dlugy would have been ready for that, but not after 15 0-0, B-Q5, for London's speculative gambit with 16 B-KB4? (rather than the ineffectual 16 N-B4).

Shamkovich suggests that defense by 17... QxP could be defeated by 18 P-QB3, Q-R5; 19 B-Q2, N-Q4; 20 Q-R5, N-P; 21 BxP, N-K7ch; 22 K-R1, BxN; 23 BxP.

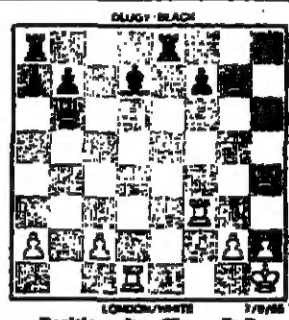
Dlugy could afford to play 17... BxN, since 18 B-R7ch, KxR; 19 RxQ, BxR yields Black three pieces plus a pawn for his queen.

On 19... N-Q2, London cut loose with 20 BxP, which led to a delirium of attacking complications.

After 22 Q-R4, defense by 22... Q-N3ch; 23 K-R1, F-K4 would fail against 24 P-B4 QxPch, K-N3, 10 B-Q3ch, K-R4; 11 Q-R3mate and 8... QxP; 9 N/1-B3, Q-Q4 (9... B-N5ch? loses a piece to 10 P-B3, BxPch; 11 K-B1); 10 N-K5, QxNp; 11 R-B1, K-B2; 12 N/K5-B3, Q-N5; 13 NxBp! with a powerful attack.

After 23 R-B3, White could have defeated 23... Q-B4ch; 24 K-R1, P-B4 by 25 R-N3ch, K-R2; 26 Q-N4, Q-K2; 27 N6ch, K-R1; 28 QxPch, Q-R2; 29 QxP, B-N3; 30 Q-Q6, K-B2; 31 B-B4!

In any event, Dlugy tried 23... R-R1, letting the white attack come on with 24 P-B5! After 25 K-R1, Dlugy could not have saved himself by Shamkovich has cast doubt on



Position after 27... BxR

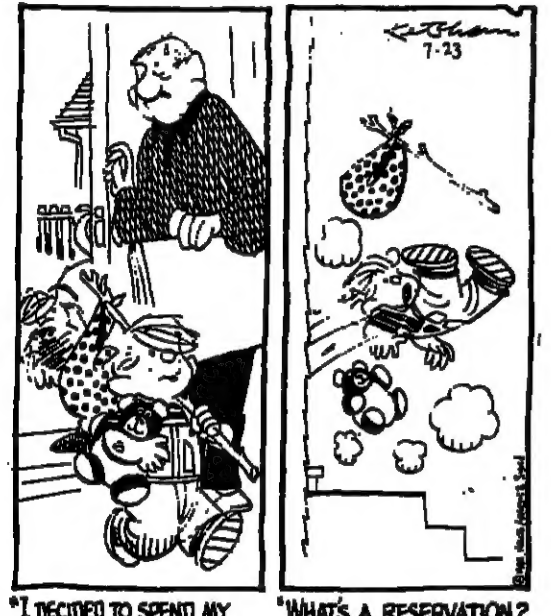
K-B3; 27 R-N3ch, K-R2; 28 B-K4, R-KN1 (28... QxQ?; 29 P-B6mate; 29 RxN, QxQ; 30 RxQ, RxR; 31 P-B6ch; K-R1 (31... R-N3?; 32 RxPch; 32 PxR, B-K3; 33 RxNp gives White winning ending).

On 26 BxP, an attempted defense with 26... Q-KB3 could be refuted by 27 Q-N3ch, Q-N4; 28 Q-Q6, for example. 28... N-B3; 29 R/1-KB1! (but not 29 R-KN3?); 30 B-RxQch, PxR; 31 Q-K5, KR-Q1; 32 R-KB1, R-Q4 wins for Black.

Dlugy's defense with 26... R-K1 was based on the point that White could not play 27 BxN, BxR; 28 RxB because 28... Q-N8ch would force mate. But he had not reckoned with London's annihilating rook sacrifice 28 RxBch!

After 32 Q-B3ch, Dlugy could not evade 32... K-K5; 33 Q-B7ch, K-K4; 34 R-Q5ch, K-K5; 35 Q-B5mate, so he gave

DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GANYM
LIVAL
DOLFIN
CLOPEM

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumbles: VALET DITTY BUNION QUENCH
Answer: What he did after stealing a pair of scissors—"CUT OUT!"

WEATHER

EUROPE				ASIA			
Area	High	Low	Wind	Area	High	Low	Wind
Albania	20	16	W	Bangladesh	28	24	E
Austria	18	14	W	Bhutan	28	24	E
Belgium	20	16	W	China	28	24	E
Bulgaria	20	16	W	India	28	24	E
Czechoslovakia	20	16	W	Indonesia	28	24	E
Denmark	20	16	W	Japan	28	24	E
France	20	16	W	Korea	28	24	E
Germany	20	16	W	Malaysia	28	24	E
Greece	20	16	W	Philippines	28	24	E
Hungary	20	16	W	Singapore	28	24	E
Italy	20	16	W	Sri Lanka	28	24	E
Poland	20	16	W	Taiwan	28	24	E
Romania	20	16	W	Thailand	28	24	E
Soviet Union	20	16	W	Vietnam	28	24	E
Sweden	20	16	W				
Switzerland	20	16	W				
Turkey	20	16	W				
U.S.S.R.	20	16	W				
Yugoslavia	20	16	W				

World Stock Markets

Via Agence France-Presse July 22
Closing prices in local currencies unless otherwise indicated.

Amsterdam				Frankfurt			
Stock	Price	Change	Index	Stock	Price	Change	Index
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25

London				Stockholm			
Stock	Price	Change	Index	Stock	Price	Change	Index
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25

Tokyo				Zurich			
Stock	Price	Change	Index	Stock	Price	Change	Index
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25

Osaka				Paris			
Stock	Price	Change	Index	Stock	Price	Change	Index
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25
ABN	100.00	+0.25	100.25	AGF	100.00	+0.25	100.25

The Daily Source for International Investors.

